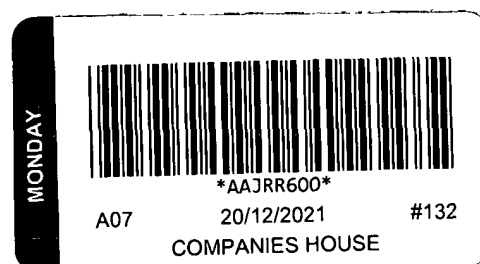


**International Group Management Limited**

**Directors' Report and financial  
Statements**

Registered number 05992177  
For the year ended 31 December 2020



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## **Directors and Officers**

### **Directors**

RM King (Chairman)  
CM King

### **Registered Office**

Capswood 1  
Oxford Road  
Denham  
Buckinghamshire  
UB9 4LH

### **Auditor**

KPMG LLP  
58 Clarendon Road  
Watford  
Hertfordshire  
WD17 1DE

## Strategic Report

The directors present their strategic report on the Company for the year ended 31 December 2020.

### Review of the business

The Company is a wholly-owned subsidiary of International Group Limited and operates as part of International Group Limited's leisure division.

The Company's principal activities are consultancy and management of leisure facilities and esports activities. The directors are not, at the date of this report, aware of any likely major changes in the Company's activities in the forthcoming year.

### Impact of Brexit

The Company has assessed the likely impact of Brexit to be minimal.

### Impact of COVID

The Company has assessed the likely impact of COVID to be minimal.

### Results and performance

As shown in the Company profit and loss account on page 8, the Company's turnover was £11,000 (2019: £nil) and loss after tax was £81,000 (2019: profit after tax £422,000).

The balance sheet on page 9 of the financial statements shows the Company's financial position at the year end.

### Key performance indicators

International Group Limited manages its operations on a divisional basis. For this reason, the Company's directors believe that further key performance indicators (other than loss after tax stated above) for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business. The performance of the leisure division of International Group Limited, which includes the Company, is discussed in International Group Limited's Annual Report which does not form part of this Report.

### Principal risks and uncertainties

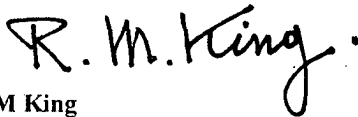
The principal risks of the Company are:

- The Company's business may be affected by fluctuations in the price and supply of key services, although purchasing policies and practices seek to mitigate, where practicable, such risks.
- The Company undertakes research and development that it has control over and thereby can reasonably predict the commitments, however, research and development by its very nature is high risk capital with no certainty of returning a profit on the investment.

### Future developments

The Company is developing a number of new projects aimed at exploiting the Company's esports capabilities that it has invested in over the past several years. This could be either licencing the Company's IP or undertaking esports activities with selected partners. The Company expects to secure at least one of these in the coming year.

By order of the board



RM King  
Director

Capswood 1  
Oxford Road  
Denham  
Buckinghamshire  
UB9 4LH

15 December 2021

## Directors' Report

The directors present their annual report and the audited financial statements for the year ended 31 December 2020.

### Proposed dividend

The directors do not recommend the payment of a dividend (2019: *£nil*).

### Directors

The directors who held office during the year were as follows:

RM King (Chairman)

WM King (Resigned 27 April 2021)

CM King

### Employees

It is the Company's policy to provide employees with information concerning their roles and responsibilities. This policy is to ensure opportunities are available at every level to improve employees' and corporate performance. Regular meetings are held which involve directors, managers and staff.

### Employee development and equal opportunities

The Company is committed to ensuring it recruits and promotes the right people regardless of gender, disability, age, sexual orientation or race, and is committed to a culture of meritocracy whereby career progression is based on ability. It facilitates opportunity for all employees to progress and regularly reviews policies and practices. It regards its people as its most valuable asset and is committed to investing in them to achieve their full potential, without discrimination.

People with disabilities are given equal opportunity wherever they can fulfil the requirements of the job. If an employee becomes disabled during their employment with the Company every reasonable effort is made to enable them to continue their career within the Company.

### Charitable contributions

The Company made no charitable contributions during the year (2019: *£nil*).

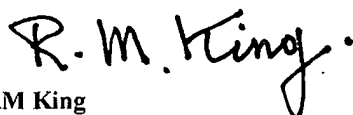
### Disclosure of information to auditor

The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### Auditor

Pursuant to Section 487 of the Companies Act 2006, KPMG LLP will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



RM King  
Director

Capswood 1  
Oxford Road  
Denham  
Buckinghamshire  
UB9 4LH

15 December 2021

## **Statement of directors' responsibilities in respect of the Strategic Report, Directors' Report and the financial statements**

The directors are responsible for preparing the Strategic Report, the Directors' 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 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 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 financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTERNATIONAL GROUP MANAGEMENT LIMITED**

## **Opinion**

We have audited the financial statements of International Group Management Limited ("the company") for the year ended 31 December 2020 which comprise the Profit and loss account and Other Comprehensive Income, Balance sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

## **Going concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

## **Fraud and breaches of laws and regulations – ability to detect**

### *Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.

- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

As required by auditing standards and taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the amount of revenue recognised in the year is significantly below our materiality threshold.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included revenue and cash journals posted to unusual accounts.

#### *Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards) and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: employment laws. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

#### *Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

#### **Strategic report and directors' report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;



- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

### **Directors' responsibilities**

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

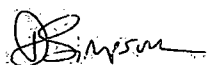
### **Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### **The purpose of our audit work and to whom we owe our responsibilities**

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.



**David Simpson (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
 58 Clarendon Road  
 Watford  
 Hertfordshire  
 WD17 1DE

16 December 2021

**Profit and Loss Account and Other Comprehensive Income**  
*For the year ended 31 December 2020*

	<i>Note</i>	<b>2020</b> <b>£000</b>	<b>2019</b> <b>£000</b>
<b>Turnover</b>	<b>2</b>	<b>11</b>	<b>-</b>
Cost of sales		<u>(11)</u>	<u>-</u>
<b>Gross profit</b>		<b>-</b>	<b>-</b>
Administrative expenses		<u>(586)</u>	<u>(552)</u>
<b>Operating loss</b>		<b>(586)</b>	<b>(552)</b>
Income from investment in subsidiary undertaking	<b>7</b>	<u>561</u>	<u>1,082</u>
<b>Profit before taxation</b>	<b>3</b>	<b>(25)</b>	<b>530</b>
Taxation	<b>6</b>	<u>(56)</u>	<u>(108)</u>
<b>(Loss)/Profit for the financial year</b>		<b><u>(81)</u></b>	<b><u>422</u></b>

The results for the current and preceding year were derived from continuing operations.

There are no gains or losses to be reflected as Other Comprehensive Income during the current or preceding year.

Notes from pages 11 to 17 form a part of the financial statements.

**Balance Sheet**  
*At 31 December 2020*

	Note	2020	2019
		£000	£000
<b>Fixed Assets</b>			
Tangible assets		1	-
Investments	7	460	247
<b>Current Assets</b>			
Debtors	8	1	1,023
Cash at bank and in hand		20	5
		<u>21</u>	<u>1,028</u>
<b>Creditors: amounts falling due within one year</b>	9	<u>(8,874)</u>	<u>(9,586)</u>
<b>Net current liabilities</b>		<u>(8,853)</u>	<u>(8,558)</u>
<b>Net liabilities</b>		<u>(8,392)</u>	<u>(8,311)</u>
<b>Capital and reserves</b>			
Called up share capital	11	-	-
Profit and loss account		<u>(8,392)</u>	<u>(8,311)</u>
<b>Shareholder's deficit</b>		<u>(8,392)</u>	<u>(8,311)</u>

Notes from pages 11 to 17 form a part of the financial statements.

These financial statements were approved by the board of directors on 15 December 2021 and were signed on its behalf by:

*R. M. King*

RM King  
Director

Registered number 05992177

**Statement of Changes in Equity**  
*For the year ended 31 December 2020*

	Called up share capital £000	Profit and loss account £000	Total shareholder deficit £000
At January 1 2019	-	(8,733)	(8,733)
Profit for the year	-	422	422
	<hr/>	<hr/>	<hr/>
At 31 December 2019	-	(8,311)	(8,311)
Loss for the year	-	(81)	(81)
	<hr/>	<hr/>	<hr/>
At 31 December 2020	-	(8,392)	(8,392)
	<hr/>	<hr/>	<hr/>

Notes from pages 11 to 17 form a part of the financial statements.

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

International Group Management Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

#### *Basis of preparation*

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ('FRS 102') as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000 unless otherwise stated.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it is a wholly owned subsidiary undertaking of International Group Limited, a Company registered in England and Wales. The financial statements present information about the Company as an individual undertaking and not about its group.

#### *Going concern*

Notwithstanding the company's net current liabilities of £8.9m (2019: £8.6m) and loss for the year of £0.08m (2019: profit £0.4m), these financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The Company is reliant for its working capital on funds provided to it by International Group Limited, (the parent company). International Group Limited has provided a written indication that for at least twelve months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the Company and will additionally not call back the amount currently payable by the company to the parent company. This should enable the Company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. However, as with any reliance on other group entities for financial support the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements they have no reason to believe that it will not do so.

The directors have prepared consolidated cash flow forecasts for International Group Limited and its subsidiaries (which incorporates the forecasts for the company as well) for a period of at least 12 months from the date of approval of these financial statements which indicate that, in all scenarios, the group and parent company has sufficient liquidity to continue operating, without recourse to additional financing from either the shareholders or external financial institutions.

Based on these indications the directors are confident that the company 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.

## Notes (continued)

### 1 Accounting policies (continued)

#### *Basis of preparation (continued)*

The Company's parent undertaking, International Group Limited includes the Company in its consolidated financial statements. The consolidated financial statements of International Group Limited are prepared in accordance with FRS 102 and are available to the public and can be obtained from the address given in note 14. In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of parent undertaking include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

#### *Measurement convention*

These financial statements are prepared on a going concern basis, under the historical cost convention.

#### *Foreign currencies*

Transactions in foreign currencies are translated into the Company's functional currency at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the rate of exchange ruling at that date and the gains or losses on translation are included in the profit and loss account.

#### *Basic financial instruments*

##### *Trade and other debtors / creditors*

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

##### *Cash and cash equivalents*

Cash and cash equivalents, comprises cash in hand and call deposits.

#### *Impairment*

##### *Financial assets (investments and trade and other debtors)*

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

## Notes (continued)

### 1 Accounting policies (continued)

#### *Employee benefits*

The Company operates a defined contribution pension scheme providing post-employment benefits. The assets of the scheme are held separately from those of the Company in an independently administered fund. The amount charged against profits represents the contributions payable to the scheme in respect of the accounting period.

#### *Turnover*

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to third party customers. Turnover is recognised when goods and services have been supplied to and accepted by the Company's clients.

Fees are recognised over the period of the relevant assignments or agreements.

#### *Taxation*

Tax on profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, associates and joint ventures to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

#### *Investment in subsidiaries*

These are separate financial statements of the company. Investments in subsidiaries are carried at cost less impairment.

#### *Dividend income*

Dividend income is recognised in the profit and loss account on the date the company's right to receive payments is established.

#### *Accounting estimate and judgement*

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### *Key sources of estimation uncertainty*

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

- Recoverability of investment in a subsidiary

## Notes (continued)

### 2 Segmental information

In the opinion of the directors, the turnover and loss before tax arose in substantially the same class of business. The geographical analysis for the turnover is as follows:

	2020 Turnover £000	2019 Turnover £000
<i>By geographical market</i>		
United Kingdom	11	-
Rest of the world	-	-
	<u>11</u>	<u>-</u>

### 3 Expenses and auditor's remuneration

*Profit/loss is stated after charging:*

	2020 £000	2019 £000
Provision for bad debts	<u>176</u>	<u>221</u>

*Auditor's remuneration:*

	2020 £000	2019 £000
Audit of these financial statements	<u>13</u>	<u>3</u>

### 4 Remuneration of directors

None of the directors received emoluments for their services to the Company during the year (2019: £nil) and instead are borne by the Company's parent company, International Group Limited. Their services to internal company management was limited and inconsequential to attract an internal charge.

Details of the amounts paid to the directors by International Group Limited can be found in the financial statements of that Company. These can be obtained from the address in note 14.



## Notes (continued)

### 5 Staff numbers and costs

The number of persons employed by the company (including directors) at the year end, analysed by category, was as follows:

	2020	2019
Directors	3	3
Administration	6	4
	<u>9</u>	<u>7</u>

The aggregate payroll costs of these persons were as follows:

	2020 £000	2019 £000
Wages and salaries	218	157
Social security costs	23	17
Pension	8	5
	<u>249</u>	<u>179</u>

### 6 Taxation

**Total tax expense recognised in the profit and loss account, other comprehensive income and equity.**

#### Analysis of expense in year

	2020 £000	2019 £000
<i>Current tax</i>		
Current tax on income for the year	56	108
<b>Total tax</b>	<u>56</u>	<u>108</u>

#### Reconciliation of effective tax rate

The total tax expense for the year is higher (2019: higher) than the standard rate of corporation tax in the UK: 19.00% (2018: 19.00%). The differences are explained below.

	2020 £000	2019 £000
<i>Total tax reconciliation</i>		
Profit / (loss) before tax	<u>(25)</u>	<u>530</u>
Tax using the UK Corporation tax rate of 19.00% (2019: 19.00%)	(4)	101
<i>Effects of:</i>		
Overseas dividend tax	56	108
Exempt overseas distribution	(107)	(206)
Additional tax losses arising in the year	<u>111</u>	<u>105</u>
<b>Total tax expense (see above)</b>	<u>56</u>	<u>108</u>

A reduction in the UK corporation tax rate from 19% to 17% (effective from 1st April 2020) was substantively enacted on 6th September 2016. The March 2020 budget announced that a rate of 19% would continue to apply with effect from April 2020 and this change was substantively enacted on 17th March 2020. The UK deferred tax asset/(liability) as at 31 December 2020 was calculated at 19% (2019: 19%). An increase in the UK corporation tax rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. The impact of the announced future rate change on the financial statements is not considered material

## Notes (continued)

### 7 Investments

	Shares in group undertakings £000	Shares in unlisted company £000	Total £000
<i>Cost</i>			
At beginning of year	247	-	247
Additions during the year	-	213	213
At end of year	<u>247</u>	<u>213</u>	<u>460</u>
<i>Net book value</i>			
At 31 December 2020	<u>247</u>	<u>213</u>	<u>460</u>
At 31 December 2019	<u>247</u>	<u>-</u>	<u>247</u>

Details in respect of the subsidiary undertaking in which the company has an investment is as follows:

Undertaking	Country of incorporation	Principal activity	Class and percentage of shares held
International Group Management (Shanghai) Ltd	Peoples Republic of China	Consultancy and management of leisure facilities	100% ordinary

During the year the company purchased 99,920 common stock shares in London Ravens Inc. a Delaware Corporation for consideration of £213,000.

During the year the company received a dividend of RMB 5m in relation to its investment in International Group Management (Shanghai) Ltd

### 8 Debtors

	2020 £000	2019 £000
Taxation & social security	1	3
Amounts owed by group undertakings	1,053	982
Amounts owed by related parties	190	131
Provisions for amounts owed by group undertakings & related parties	(1,243)	(1,067)
Dividend receivable	-	973
Prepayments	<u>-</u>	<u>1</u>
	<u>1</u>	<u>1,023</u>

All debtors are due within one year.

### 9 Creditors: amounts falling due within one year

	2020 £000	2019 £000
Trade creditors	-	1
Amounts owed by group undertakings	8,862	9,585
Accruals and deferred income	12	-
Bank overdraft	<u>-</u>	<u>-</u>
	<u>8,874</u>	<u>9,586</u>

There are no creditors falling due after one year.

## Notes (continued)

### 10 Deferred tax

A deferred tax asset of £1,738,000 (2019: £1,456,000) has arisen. The directors do not feel that it is appropriate to recognise this deferred tax asset in light of current trading conditions. The elements of deferred taxation are as follows:

	2020 £000	2019 £000
Difference between accumulated depreciation and amortisation and capital allowances	1	1
Tax losses	1,571	1,336
Other timing differences	166	119
Undiscounted deferred tax asset	<u>1,738</u>	<u>1,456</u>

### 11 Called up share capital

	2020	2019
<i>Allotted, called up and fully paid</i>		
100 Ordinary shares of £1 each	100	100
Shares classified in shareholders' deficit	<u>100</u>	<u>100</u>

### 12 Commitments

There are no unprovided capital commitments at the end of the financial year (2019: £nil).

### 13 Pension Scheme

#### *Defined contribution pension scheme*

The Company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Company to the scheme and amounted to £5,000 (2019: £5,000). There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

### 14 Ultimate parent company and parent undertaking of largest and smallest group of which the Company is a member

The Company is a subsidiary undertaking of International Group Limited which is the ultimate parent company incorporated in the UK.

The largest and smallest group in which the results of the Company are consolidated is that headed by International Group Limited, a company incorporated in the UK. No other group financial statements include the results of the Company. The consolidated financial statements of the group is available to the public and may be obtained from Capswood 1, Oxford Road, Denham, Buckinghamshire, UB9 4LH.

### 15 Related party transactions

The Company is controlled by International Group Limited, the immediate parent undertaking, which controls 100% of the Company's voting rights.