

Company Registration No. 04338525 (England and Wales)

INDEPENDENT TALENT GROUP LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2020

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INDEPENDENT TALENT GROUP LIMITED

COMPANY INFORMATION

Directors	LA Posner S Long-Innes P Lyon-Maris R Burkle D Barnes B D Heath
Secretary	LA Posner
Company number	04338525
Registered office	40 Whitfield Street London W1T 2RH
Auditor	RSM UK Audit LLP 25 Farringdon Street London EC4A 4AB
Business address	40 Whitfield Street London W1T 2RH
Solicitors	Lee & Thompson LLP 4 Gee's Court St Christopher's Place London W1U 1JD

INDEPENDENT TALENT GROUP LIMITED

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INDEPENDENT TALENT GROUP LIMITED

STRATEGIC REPORT

FOR THE PERIOD ENDED 30 SEPTEMBER 2020

The directors present the strategic report for the period ended 30 September 2020.

Fair review of the business

The Group extended its accounting period from a 31 March year end to a 30 September year end, as it was considered more suitable to fairly reflect the pattern of activity of the group.

The results for the period, as set out on page 10, and the group and company financial position at the period-end were considered satisfactory by the directors who expect the group's main activities to grow in the foreseeable future. Group turnover from continuing activities has increased in relation to the prior year, mainly as a result of an increase in agency activities.

The group profit after tax has increased from £4,820,338 in (a 12 month period ended 31 March) 2019 to £7,807,375 in (an 18 month period ended 30 September) 2020. The group disposed of its majority shareholding in a television production subsidiary group in the 2018 financial year. The current period includes the deferred consideration on disposal of a subsidiary of £3,347,607. Please refer to key performance indicators for more details.

Director's remuneration is as disclosed in note 7 to the financial statements.

Principal risks and uncertainties

The management of the business and the execution of the group's strategy are subject to a number of risks. The key business risks and uncertainties affecting the group continued to be related to the retention of key employees and their relationship with existing and prospective clients together with competition for client placement within the industry.

Other financial risks, such as credit, price and liquidity risks, can affect companies. Due to the nature of the group's activities, exposure to these risks is minimal. The group further minimises such risks via prudent cash management and the use of forecasting. The group do not foresee any specific risks arising as a result of Brexit uncertainty.

Business environment and governance

The talent management industry is highly competitive, although the group consider that, as an industry independent and sizeable organization within its market places, its offering is attractive to new clientele.

The group directors meet regularly to discuss the progress of the group and all other matters concerning the governance of the group and its subsidiaries.

INDEPENDENT TALENT GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2020

Key Performance Indicators

The directors consider the key performance indications for the continuing operations of the business to be as follows:-

	2020	2019
Turnover	£44,742,727	£28,729,769
Gross profit	£42,742,143	£27,324,971
Profit/ (loss) before tax	£8,470,639	£5,436,200
Number of key agents	49	51

Turnover	12 months to 31 March 2020 £33,597,924	12 months to 31 March 2019 £28,729,769
	18 months to 30 September 2020 £44,742,727	

The directors of Independent Talent Group Limited manage the group's operations on a divisional basis, with the main source of continuing revenue being generated by individual agents. For this reason, and how yearly profits are distributed, the directors believe that the main key performance indicator for the group, to understand its development and performance for the year, is movement in turnover. Group activity levels, as reflected in turnover, are considered as part of management's review.

Group turnover is reported for the 18 month period to 30 September 2020. However, like-for-like turnover for the first 12 months of the period reflects an increase by 17% to £33,597,924.

The gross profit margin from continuing operations moved from 96% to 95% in 2020, due to the strength of talent management and staff retention.

Going concern

The coronavirus pandemic has affected the theatrical, film and television industry, causing delays in company's clients work and auditioning of new talent. The directors have considered the impact of Covid 19 on the future performance of the company. The directors have seen a return in demand for productions and talent since the easing of lockdown restrictions, however, the directors are very much aware that the virus is not yet fully under control and further business disruption may arise during the course of this year. The directors continue to monitor developments closely and will take appropriate action to ensure the impact of any further developments on the business is minimised.

At the time of approving the financial statements, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future based upon the expected demand for clients work increasing to prior levels due to the easing of lockdown restrictions. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

INDEPENDENT TALENT GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2020

Strategy, future developments and post balance sheet events

The group and company continue to develop the existing client base and attract new and emerging talent. The group's strategy is to properly manage industry relationships and connections and to continue to attract new clients. In addition, the group will continue to assess potential investments in other businesses which will enhance the offering of the group.

On behalf of the board



B D Heath
Director

21/10/2021

INDEPENDENT TALENT GROUP LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 30 SEPTEMBER 2020

The directors present their annual report and financial statements for the period ended 30 September 2020.

Principal activities

The principal activities of the company and group continued to be that of an agency in the theatrical, film and television industry, and television programme production.

Directors

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

L A Posner
S Long-Innes
P Lyon-Maris
R Burkle
D Barnes
B D Heath

Results and dividends

The results for the period are set out on page 10.

Preference shares' dividends recommended for the year were £7,189,442 (2019: £5,159,017). Dividends on other share classes were £Nil (2019: £Nil).

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the period. These provisions remain in force at the reporting date.

Directors' insurance

The group maintains insurance policies on behalf of all the directors against liability arising from negligence, breach of duty and breach of trust in relation to the group.

Financial instruments and risk management

Information on the use of financial instruments by the group is disclosed in note 1 to the financial statements. Exposure and management of principal risks are disclosed in the strategic report.

Future developments

Likely future developments in the businesses of the group are discussed in the strategic report.

Auditor

RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

Strategic report

In accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors Report) Regulations 2013, the group has disclosed the information required by schedule 7 of the Large and Medium-sized Companies (Accounts and Reports) Regulations 2008 in its Strategic Report.

INDEPENDENT TALENT GROUP LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2020

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board



B D Heath
Director

21/10/2021

INDEPENDENT TALENT GROUP LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE PERIOD ENDED 30 SEPTEMBER 2020

The directors are responsible for preparing the Strategic and 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT TALENT GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INDEPENDENT TALENT GROUP LIMITED

Opinion

We have audited the financial statements of Independent Talent Group Limited (the 'parent company') and its subsidiaries (the 'group') for the period ended 30 September 2020 which comprise the consolidated profit and loss account, the consolidated statement of comprehensive income, the consolidated balance sheet, the company balance sheet, the consolidated statement of changes in equity, the company statement of changes in equity, the consolidated statement of cash flows 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 September 2020 and of the group's profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

INDEPENDENT TALENT GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF INDEPENDENT TALENT GROUP LIMITED

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

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.

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

INDEPENDENT TALENT GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF INDEPENDENT TALENT GROUP LIMITED

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.

RSM UK Audit LLP

Mandy Girder (Senior Statutory Auditor)
for and on behalf of RSM UK Audit LLP

Chartered Accountants
Statutory Auditor
25 Farringdon Street
London
EC4A 4AB

21 October 2021

INDEPENDENT TALENT GROUP LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 30 SEPTEMBER 2020

		18 month period ended 30 September 2020 £	Year ended 31 March 2019 £
	Notes		
Turnover	3	44,742,727	28,729,769
Cost of sales		(2,000,584)	(1,404,798)
Gross profit		42,742,143	27,324,971
Administrative expenses		(40,373,911)	(24,364,920)
Other operating income		97,639	-
Profit on disposal of subsidiary	28	3,347,607	1,464,676
Operating profit	4	5,813,478	4,424,727
Share of results of associates and joint ventures		108,362	699,426
Interest receivable and similar income	8	2,558,053	406,753
Interest payable and similar expenses	9	(9,254)	(94,706)
Profit before taxation		8,470,639	5,436,200
Tax on profit	10	(663,264)	(615,862)
Profit for the financial period		7,807,375	4,820,338
Profit for the financial period is attributable to:			
- Owners of the parent company		7,921,074	4,820,591
- Non-controlling interests		(113,699)	(253)
		7,807,375	4,820,338

The profit and loss account has been prepared on the basis that all operations are continuing operations.

INDEPENDENT TALENT GROUP LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 2020

	18 month period ended 30 September 2020 £	Year ended 31 March 2019 £
Profit for the period	7,807,375	4,820,338
Other comprehensive income	-	-
Total comprehensive income for the period	<u>7,807,375</u>	<u>4,820,338</u>
Total comprehensive income for the period is attributable to:		
- Owners of the parent company	7,921,074	4,820,591
- Non-controlling interests	(113,699)	(253)
	<u>7,807,375</u>	<u>4,820,338</u>

INDEPENDENT TALENT GROUP LIMITED

GROUP BALANCE SHEET

AS AT 30 SEPTEMBER 2020

	Notes	30 September 2020		31 March 2019	
		£	£	£	£
Fixed assets					
Goodwill	12		151,819		228,175
Tangible assets	13		682,061		774,078
Investments	14		1,379,578		1,312,318
			<u>2,213,458</u>		<u>2,314,571</u>
Current assets					
Debtors	16	6,912,170		2,747,202	
Cash at bank and in hand		14,454,237		9,764,819	
		<u>21,366,407</u>		<u>12,512,021</u>	
Creditors: amounts falling due within one year	18	(18,253,118)		(11,616,954)	
Net current assets			<u>3,113,289</u>		<u>895,067</u>
Total assets less current liabilities			<u>5,326,747</u>		<u>3,209,638</u>
Provisions for liabilities					
Provisions	20	260,000		260,000	
		<u>(260,000)</u>		<u>(260,000)</u>	
Net assets			<u><u>5,066,747</u></u>		<u><u>2,949,638</u></u>
Capital and reserves					
Called up share capital	21		2,359		2,313
Share premium account			2,499,572		999,999
Equity reserve			(38,383)		(38,383)
Capital redemption reserve			200		200
Profit and loss reserves			2,764,430		2,032,798
Equity attributable to owners of the parent company			<u>5,228,178</u>		<u>2,996,927</u>
Non-controlling interests			<u>(161,431)</u>		<u>(47,289)</u>
			<u><u>5,066,747</u></u>		<u><u>2,949,638</u></u>

Company Registration No. 04338525

INDEPENDENT TALENT GROUP LIMITED

GROUP BALANCE SHEET (CONTINUED)

AS AT 30 SEPTEMBER 2020

The financial statements were approved by the board of directors and authorised for issue on 21/10/21....
and are signed on its behalf by:



B D Heath
Director

INDEPENDENT TALENT GROUP LIMITED

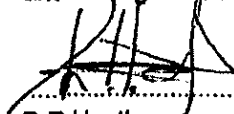
COMPANY BALANCE SHEET

AS AT 30 SEPTEMBER 2020

	Notes	30 September 2020	31 March 2019
		£	£
Fixed assets			
Goodwill	12	66,067	120,985
Tangible assets	13	663,185	753,687
Investments	14	1	1
		<u>729,253</u>	<u>874,673</u>
Current assets			
Debtors	16	7,115,444	2,560,892
Cash at bank and in hand		14,044,886	9,523,407
		<u>21,160,330</u>	<u>12,084,299</u>
Creditors: amounts falling due within one year	18	(17,588,595)	(11,008,746)
Net current assets		<u>3,571,735</u>	<u>1,075,553</u>
Total assets less current liabilities		<u>4,300,988</u>	<u>1,950,226</u>
Provisions for liabilities			
Provisions	20	260,000	260,000
		<u>(260,000)</u>	<u>(260,000)</u>
Net assets		<u>4,040,988</u>	<u>1,690,226</u>
Capital and reserves			
Called up share capital	21	2,359	2,313
Share premium account		2,499,572	999,999
Capital redemption reserve		200	200
Profit and loss reserves		1,538,857	687,714
Total equity		<u>4,040,988</u>	<u>1,690,226</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £8,040,585 (2019 - £4,122,054 profit).

The financial statements were approved by the board of directors and authorised for issue on 21/10/21 and are signed on its behalf by:



B D Heath
Director

Company Registration No. 04338525

INDEPENDENT TALENT GROUP LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2020

	Notes	Share capital £	Share premium account £	Equity reserve £	Capital redemption reserve £	Profit and loss reserves £	Total controlling interest £	Non- controlling interest £	Total £
Balance at 1 April 2018		2,313	999,999	-	200	2,371,224	3,373,736	(52,292)	3,321,444
Year ended 31 March 2019:									
Profit and total comprehensive income for the year		-	-	-	-	4,820,591	4,820,591	(253)	4,820,338
Dividends	11	-	-	-	-	(5,159,017)	(5,159,017)	-	(5,159,017)
Acquisition of shares from non-controlling interest		-	-	(38,383)	-	-	(38,383)	5,256	(33,127)
Balance at 31 March 2019		2,313	999,999	(38,383)	200	2,032,798	2,996,927	(47,289)	2,949,638
Period ended 30 September 2020:									
Profit and total comprehensive income for the 18 month period		-	-	-	-	7,921,074	7,921,074	(113,699)	7,807,375
Dividends	11	-	-	-	-	(7,189,442)	(7,189,442)	-	(7,189,442)
Disposal of shares in subsidiary to non-controlling interest		-	-	-	-	-	-	(443)	(443)
Other movements	17	46	1,499,573	-	-	-	1,499,619	-	1,499,619
Balance at 30 September 2020		2,359	2,499,572	(38,383)	200	2,764,430	5,228,178	(161,431)	5,066,747

INDEPENDENT TALENT GROUP LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 30 SEPTEMBER 2020

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 April 2018		2,313	999,999	200	1,724,677	2,727,189
Year ended 31 March 2019:						
Profit and total comprehensive income for the year		-	-	-	4,122,054	4,122,054
Dividends	11	-	-	-	(5,159,017)	(5,159,017)
Balance at 31 March 2019		2,313	999,999	200	687,714	1,690,226
Period ended 30 September 2020:						
Profit and total comprehensive income for the for the 18 month period		-	-	-	8,040,585	8,040,585
Dividends	11	-	-	-	(7,189,442)	(7,189,442)
Other movements	17	46	1,499,573	-	-	1,499,619
Balance at 30 September 2020		2,359	2,499,572	200	1,538,857	4,040,988

INDEPENDENT TALENT GROUP LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2020

		30 September 2020		31 March 2019	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from operations	31	6,988,747		2,253,468	
Interest paid		(9,254)		(94,706)	
Income taxes (paid)/refunded		(809,824)		37,223	
Net cash inflow from operating activities		6,169,669		2,195,985	
Investing activities					
Purchase of further shares in subsidiary		-	(33,127)		
Proceeds of disposal of subsidiaries		(27,500)	-		
Purchase of tangible fixed assets		(249,507)	(184,142)		
Proceeds on disposal of tangible fixed assets		21,760	32,750		
Proceeds on disposal of fixed asset investments		-	1,464,676		
Interest received		94,148	53,953		
Dividends received		2,031,883	352,800		
Net cash generated from investing activities		1,870,784		1,686,910	
Financing activities					
Repayment of preference shares		-	93,113		
Payment of finance leases obligations		(2,780)	2,780		
Dividends paid to equity shareholders		(3,348,255)	(4,484,225)		
Net cash used in financing activities		(3,351,035)		(4,388,332)	
Net increase/(decrease) in cash and cash equivalents		4,689,418		(505,437)	
Cash and cash equivalents at beginning of period		9,764,819		10,270,256	
Cash and cash equivalents at end of period		14,454,237		9,764,819	

INDEPENDENT TALENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 SEPTEMBER 2020

1 Accounting policies

Company information

Independent Talent Group Limited ("the Company") is a limited company domiciled and incorporated in England and Wales. The registered office is 40 Whitfield Street, London, W1T 2RH. The company's registered number is 04338525.

The Group consists of Independent Talent Group Limited and all of its subsidiaries as set out in note 27 to the accounts.

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 including the provisions of the Large and Medium-sizes Companies and Group (Accounts and reports) Regulations 2008.

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

The financial statements have been prepared on the historical cost convention, modified to include the revaluation of certain financial instruments at fair value where required by accounting standards. The principal accounting policies adopted are set out below.

The Company has taken advantage of exemption from disclosing the following information in its company only accounts, as permitted by the reduced disclosure regime with FRS102:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £8,040,585 (2019 - £4,122,054 profit).

The reporting period is the 18 month period to 30th September 2020. The comparative period is for the year to 31st March 2019. The periods are therefore not completely comparable. The directors extended the period end as they consider it more fairly reflects the pattern of activity for the group.

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

INDEPENDENT TALENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2020

1 Accounting policies

(Continued)

The consolidated financial statements incorporate those of Independent Talent Group Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 30 September 2020 except for those disclosed as otherwise in note 27. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Associated undertakings

The group's share of profits less losses of associated undertakings is included in the consolidated profit and loss account, and the group's share of their net assets is included in the consolidated balance sheet. Where necessary, adjustments are made to the financial statements to bring the accounting policies used into line with those by the group.

Joint ventures

The group's share of operating profits and losses of joint ventures is included in the consolidated profit and loss account, and the groups share of their net assets/liabilities are included in the consolidated balance sheet. Where necessary, adjustments are made to the financial statements to bring the accounting policies used into line with those by the group. Where there are losses in excess of the investment and no constructive obligation to make payments on the joint venture's behalf, the parent will discontinue recognising further losses and reduce its interest in the consolidated balance sheet to zero.

1.3 Going concern

The coronavirus pandemic has affected the theatrical, film and television industry, causing delays in company's clients work and auditioning of new talent. The directors have considered the impact of Covid 19 on the future performance of the company. The directors have seen a return in demand for productions and talent since the easing of lockdown restrictions, however, the directors are very much aware that the virus is not yet fully under control and further business disruption may arise during the course of this year. The directors continue to monitor developments closely and will take appropriate action to ensure the impact of any further developments on the business is minimised.

At the time of approving the financial statements, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future for a period of at least 12 months following the signing of the financial statements based upon the expected demand for clients work increasing to prior levels due to the easing of lockdown restrictions. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

INDEPENDENT TALENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2020

1 Accounting policies

(Continued)

1.4 Turnover

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

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

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

Rental income is recognised on an accruals basis. Other operating income includes government monies received for staff furlough.

1.5 Intangible fixed assets - goodwill

Intangible assets are initially recognised at cost (which for intangible assets acquired in a business combination is the fair value at acquisition date) and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of ten years. Other goodwill is written off in equal instalments over a period of eight years since the transition date of 1st April 2014 to FRS 102. The economic life of all goodwill does not exceed ten years which the directors believe represents a true and fair view of the economic life, unless a reliable estimate of its useful economic life can be formed. Amortisation charge is included within administrative expenses in the profit and loss account.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	20% per annum on a straight line basis over the remaining lease term
Fixtures, fittings & equipment	20% per annum on a reducing balance basis
General equipment & computers	25% - 33% per annum on a reducing balance basis
Motor vehicles	25% per annum on a reducing balance basis

Depreciation charge is included within administrative expenses in the profit and loss account. The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

INDEPENDENT TALENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2020

1 Accounting policies

(Continued)

1.7 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

1.8 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

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.

1.9 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.

1.10 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

INDEPENDENT TALENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2020

1 Accounting policies

(Continued)

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities

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.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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

INDEPENDENT TALENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2020

1 Accounting policies

(Continued)

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge. Convertible preference shares are recognised at fair value through the profit and loss account.

Derecognition of financial liabilities

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

1.11 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

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

Deferred tax

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

1.13 Provisions

Provisions are recognised when the group has a legal or constructive present obligation as a result of a past event, it is probable that the group 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.

INDEPENDENT TALENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2020

1 Accounting policies

(Continued)

1.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.15 Retirement benefits

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

1.16 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.17 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

1.18 Cash flow liquid resources

The only liquid resources within the company are bank balances.

INDEPENDENT TALENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2020

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Revenue recognition

Revenue from commission may involve estimating the fair value of consideration before it is received. In making these judgements, the company considers the detailed criteria for recognition of revenue set out in section 23 of FRS 102 and the accounting policies criteria set out in note 1 and whether the company has transferred significant risks and rewards of the services to the customer.

Share of results in joint ventures and associates and impairment of investments

If the group's share of losses in joint ventures or associates equals or exceeds the carrying amount of its investment in the associate, the directors discontinue recognising the group's share of further losses and make the appropriate adjustments to the carrying amount of the group's investments.

Impairment of goodwill

Goodwill is subject to impairment reviews based on whether current or future events and circumstances suggest that its recoverable amount may be less than their carrying value. Recoverable amount is based on the higher of the value in use and fair value less costs to dispose. Value in use is calculated from expected future cash flows using suitable discount rates and includes management assumptions and estimates of future performance.

Contingent consideration

When a business combination agreement provides for consideration contingent on future events, the group consider the mechanics of that consideration and whether that should be recognised or disclosed in the accounts. The group recognise contingent consideration when the contingent event can, in the judgment of the directors, be measured reliably and is virtually certain to occur. The consideration will be disclosed only when, in the judgement of the directors, the outcome of the event is considered probable and can be measured reliably. The group did not recognise contingent consideration of a partial sale of a subsidiary during the comparative year given the uncertainty connected with estimating future results, upon which the consideration will be based.

Carrying value of receivables

The directors assess the carrying value of receivables based on whether current or future events and circumstances suggest the balance may not be recoverable.

INDEPENDENT TALENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2020

3 Turnover and other revenue

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

	18 month period ended 30 September 2020 £	Year ended 31 March 2019 £
Turnover analysed by class of business		
Talent management	39,503,930	25,522,316
Other	5,238,797	3,207,453
	<u>44,742,727</u>	<u>28,729,769</u>
	2020	2019
	£	£
Other significant revenue		
Interest income	239,519	53,953
Dividends received	2,318,534	352,800
	<u></u>	<u></u>
	2020	2019
	£	£
Turnover analysed by geographical market		
United Kingdom	<u>44,742,727</u>	<u>28,729,769</u>

4 Operating profit

	18 month period ended 30 September 2020 £	Year ended 31 March 2019 £
Operating profit for the period is stated after charging/(crediting):		
Exchange gains	(389)	(1,387)
Depreciation of owned tangible fixed assets	322,823	246,449
Depreciation of tangible fixed assets held under finance leases	-	232
Profit on disposal of tangible fixed assets	(3,059)	(17,060)
Amortisation of intangible assets	76,356	58,049
Operating lease charges	<u>2,029,091</u>	<u>1,656,831</u>

INDEPENDENT TALENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2020

5 Auditors' remuneration

	18 month period ended 30 September 2020 £	Year ended 31 March 2019 £
Fees payable to the company's auditor and its associates:		
For audit services		
Audit of the financial statements of the group and company	45,750	38,500
Audit of the company's subsidiaries	2,000	2,000
	<u>47,750</u>	<u>40,500</u>

6 Employees

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

	18 month period ended 30 September 2020 Number	Year ended 31 March 2019 Number
Directors	6	6
Agents	49	51
Assistants	43	36
Administration	31	29
Production	30	29
	<u>159</u>	<u>151</u>

The average monthly number of persons (including directors) employed by the company during the period was 159 (2019: 151), made up as follows: Directors 6 (2019: 6), Other staff: 153 (2019: 145).

	2020 £	2019 £
Wages and salaries	29,910,123	17,576,454
Social security costs	3,888,888	2,253,565
Pension costs	217,451	147,931
	<u>34,016,462</u>	<u>19,977,950</u>

INDEPENDENT TALENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2020

7 Directors' remuneration

	18 month period ended 30 September 2020 £	Year ended 31 March 2019 £
Remuneration for qualifying services	8,731,389	4,565,513

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

	2020 £	2019 £
Remuneration for qualifying services	2,549,529	1,381,599

8 Interest receivable and similar income

	18 month period ended 30 September 2020 £	Year ended 31 March 2019 £
Interest income		
Interest on bank deposits	94,148	51,465
Other interest income	145,371	2,488
Total interest revenue	239,519	53,953
Income from fixed asset investments		
Income from shares in group undertakings	2,318,534	352,800
Total income	2,558,053	406,753

Interest receivable includes the reversal of A3 Preference share accrued amounts payable, following a revision of the terms of the shares in the period.

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	94,148	51,465
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INDEPENDENT TALENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2020

9 Interest payable and similar expenses

	18 month period ended 30 September 2020 £	Year ended 31 March 2019 £
Interest on financial liabilities measured at amortised cost:		
Interest on finance leases and hire purchase contracts	145	144
Other interest on financial liabilities	9,109	1,450
	<u>9,254</u>	<u>1,594</u>
Other finance costs:		
Other interest payable	-	93,113
	<u>9,254</u>	<u>94,706</u>
Total finance costs	<u>9,254</u>	<u>94,706</u>

INDEPENDENT TALENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2020

10 Taxation

	18 month period ended 30 September 2020 £	Year ended 31 March 2019 £
Current tax		
UK corporation tax on profits for the current period	669,891	642,530
Deferred tax		
Origination and reversal of timing differences	(6,627)	(26,668)
Total tax charge	663,264	615,862

The actual charge for the period can be reconciled to the expected charge for the period based on the profit or loss and the standard rate of tax as follows:

	2020 £	2019 £
Profit before taxation	8,470,639	5,436,200
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	1,609,421	1,032,878
Tax effect of expenses that are not deductible in determining taxable profit	(553,543)	(241,921)
Tax effect of income not taxable in determining taxable profit	(440,142)	(67,032)
Group relief and tax losses	53,442	(109,925)
Permanent capital allowances in excess of depreciation	(5,333)	5,103
Profit or loss on disposal	(581)	(3,241)
Taxation charge	663,264	615,862

INDEPENDENT TALENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2020

11 Dividends

	2020 £	2019 £
Preference dividend	7,189,442	5,159,017
	<u>7,189,442</u>	<u>5,159,017</u>

Preference Share dividends of £7,189,442 (2019: £5,159,017) were payable for the period ended 30 September 2020. The total dividends for the year were £179.74 (2019: £128.98) per share on the 19,600 A1 preference shares and also £179.74 (2019: £128.98) per share on the 20,400 A2 preference shares. This being dividends on A1 and A2 shares of £3,522,827 (2019: £2,527,918) and £3,666,615 (2019: £2,631,099) respectively.

At each year end £6,772,909 (2019: £2,931,722) of the dividend for the year was unpaid and included in other creditors.

12 Intangible fixed assets

Group	Goodwill £
Cost	
At 1 April 2019 and 30 September 2020	<u>975,301</u>
Amortisation and impairment	
At 1 April 2019	747,126
Amortisation charged for the period	<u>76,356</u>
At 30 September 2020	<u>823,482</u>
Carrying amount	
At 30 September 2020	<u>151,819</u>
At 31 March 2019	<u>228,175</u>

INDEPENDENT TALENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2020

12 Intangible fixed assets

(Continued)

Company	Goodwill £
Cost	
At 1 April 2019 and 30 September 2020	760,922
Amortisation and impairment	
At 1 April 2019	639,937
Amortisation charged for the period	54,918
At 30 September 2020	694,855
Carrying amount	
At 30 September 2020	66,067
At 31 March 2019	120,985

13 Tangible fixed assets

Group	Leasehold land and buildings £	Fixtures, fittings & equipment £	General equipment & computers £	Motor vehicles £	Total £
Cost					
At 1 April 2019	512,625	914,447	1,630,261	541,100	3,598,433
Additions	-	21,016	149,316	79,175	249,507
Disposals	-	-	-	(64,702)	(64,702)
At 30 September 2020	512,625	935,463	1,779,577	555,573	3,783,238
Depreciation and impairment					
At 1 April 2019	512,625	694,881	1,374,522	242,327	2,824,355
Depreciation charged in the period	-	75,131	127,971	119,721	322,823
Eliminated in respect of disposals	-	-	-	(46,001)	(46,001)
At 30 September 2020	512,625	770,012	1,502,493	316,047	3,101,177
Carrying amount					
At 30 September 2020	-	165,451	277,084	239,526	682,061
At 31 March 2019	-	219,566	255,739	298,773	774,078

INDEPENDENT TALENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2020

13 Tangible fixed assets

(Continued)

Company	Leasehold land and buildings £	Fixtures, fittings & equipment £	General equipment & computers £	Motor vehicles £	Total £
Cost					
At 1 April 2019	512,625	894,523	1,602,831	541,100	3,551,079
Additions	-	5,060	149,316	79,175	233,551
Disposals	-	-	-	(64,702)	(64,702)
At 30 September 2020	512,625	899,583	1,752,147	555,573	3,719,928
Depreciation and impairment					
At 1 April 2019	512,625	691,522	1,350,921	242,326	2,797,394
Depreciation charged in the period	-	57,659	127,970	119,721	305,350
Eliminated in respect of disposals	-	-	-	(46,001)	(46,001)
At 30 September 2020	512,625	749,181	1,478,891	316,046	3,056,743
Carrying amount					
At 30 September 2020	-	150,402	273,256	239,527	663,185
At 31 March 2019	-	203,002	251,911	298,774	753,687

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £Nil (2019: £232).

	Group 2020 £	2019 £	Company 2020 £	2019 £
General equipment & computers	-	5,561	-	5,561

14 Fixed asset investments

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Investments in subsidiaries	27	-	1	1	1
Investments in joint ventures and associates	29	1,379,578	1,312,317	-	-
		1,379,578	1,312,318	1	1

INDEPENDENT TALENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2020

14 Fixed asset investments

(Continued)

Movements in fixed asset investments Group

Shares in
group
undertakings
and
participating
interests
£

Cost or valuation

At 1 April 2019	1,312,318
Share of results of joint ventures	(90,713)
Share of results of associates	199,075
Disposals	(41,102)

At 30 September 2020	1,379,578
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Carrying amount

At 30 September 2020	1,379,578
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At 31 March 2019	1,312,318
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Movements in fixed asset investments Company

Shares in
group
undertakings
£

Cost or valuation

At 1 April 2019 and 30 September 2020	1
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Carrying amount

At 30 September 2020	1
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At 31 March 2019	1
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INDEPENDENT TALENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2020

15 Financial instruments

	Group 2020 £	2019 £	Company 2020 £	2019 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	2,824,448	2,401,681	6,553,022	2,215,371
Equity instruments measured at cost less impairment	-	-	1	1
Carrying amount of financial liabilities				
Measured at fair value through profit or loss				
- Redeemable preference shares	-	1,644,990	-	1,644,990
Measured at amortised cost	15,405,264	8,128,255	14,947,798	7,668,579

16 Debtors

	Group 2020 £	2019 £	Company 2020 £	2019 £
Amounts falling due within one year:				
Trade debtors	485,992	575,011	250,752	-
Corporation tax recoverable	75,275	156	75,275	156
Amounts owed by group undertakings	-	-	4,233,132	483,963
Amounts owed by undertakings in which the company has a participating interest	23,988	729	23,988	729
Other debtors	756,709	284,858	449,622	189,596
Prepayments and accrued income	5,536,911	1,859,780	2,049,380	1,859,780
	<u>6,878,875</u>	<u>2,720,534</u>	<u>7,082,149</u>	<u>2,534,224</u>
Amounts falling due after more than one year:				
Deferred tax asset (note 22)	33,295	26,668	33,295	26,668
	<u>33,295</u>	<u>26,668</u>	<u>33,295</u>	<u>26,668</u>
Total debtors	<u>6,912,170</u>	<u>2,747,202</u>	<u>7,115,444</u>	<u>2,560,892</u>

INDEPENDENT TALENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2020

17 Loans and overdrafts

	Group 2020 £	2019 £	Company 2020 £	2019 £
Redeemable preference shares	-	1,644,990	-	1,644,990
Payable within one year	-	1,644,990	-	1,644,990

4,614 A3 convertible preference shares with a paid up value of £1,499,619 were reclassified from debt to share capital during the period, as their fixed coupon was removed.

18 Creditors: amounts falling due within one year

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Loans and bank loans	17	-	1,644,990	-	1,644,990
Obligations under finance leases	19	-	2,780	-	2,780
Corporation tax payable		258,909	323,723	226,013	312,332
Other taxation and social security		2,222,695	1,147,206	2,048,534	1,001,391
Trade creditors		286,647	559,517	250,133	347,951
Amounts due to subsidiary undertakings		-	-	8,210	8,674
Other creditors		6,775,915	2,978,920	6,772,909	2,931,722
Accruals and deferred income		8,708,952	4,959,818	8,282,796	4,758,906
		18,253,118	11,616,954	17,588,595	11,008,746

19 Finance lease obligations

	Group 2020 £	2019 £	Company 2020 £	2019 £
Future minimum lease payments due under finance leases:				
Within one year	-	2,780	-	2,780

Finance lease payments represent rentals payable by the company for leasehold improvements and general equipment and computers. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is four years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

INDEPENDENT TALENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2020

20 Provisions for liabilities

	Group 2020 £	2019 £	Company 2020 £	2019 £
Dilapidations on rented property	<u>260,000</u>	<u>260,000</u>	<u>260,000</u>	<u>260,000</u>

Movements on provisions:

	Dilapidations on rented property £
Group	
At 1 April 2019 and 30 September 2020	<u>260,000</u>

	Dilapidations on leased property £
Company	
At 1 April 2019 and 30 September 2020	<u>260,000</u>

The provision of £260,000 represents the company's estimated obligation as part of their contractual dilapidation commitment to return its leased property back to its original state at the end of the lease agreement.

INDEPENDENT TALENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2020

21 Share capital

	Group and company	
	2020	2019
	£	£
Ordinary share capital		
Issued and fully paid		
19,600 'A' Ordinary shares of 1p each	196	196
14,000 'B1' Ordinary shares of 1p each	140	140
6,400 'B2' Ordinary shares of 1p each	64	64
3,067 'C1' Ordinary shares of 1p each	30	30
1,933 'C2' Ordinary shares of 50p each	967	967
990 'D1' Ordinary shares of 1p each	10	10
1,010 'D2' Ordinary shares of 50p each	505	505
4,600 19,600 Convertible series A1 preference shares of 1p each	196	196
20,400 Convertible series A2 preference shares of 1p each	204	204
4,614 Convertible series A3 preference shares of 1p each	46	-
Deferred share of £1 each	1	1
	<u>2,359</u>	<u>2,313</u>

Ordinary Shares

The company's ordinary shares carry no right to fixed income, voting rights are described below.

Preference shares

A1 and A2 preference shares are classified as equity, with the A3 preference shares being reclassified as equity during the period.

INDEPENDENT TALENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2020

21 Share capital

(Continued)

Voting:

Only the holders of the 'A' ordinary shares and A1 preference shares have voting rights in general meetings.

Conversion:

A preference shareholder may at any time, by notice in writing to the company, convert all but not part of his A1 preference shares into an equal number of A ordinary shares and A2 preference shares into an equal number of B ordinary shares.

Income:

Amounts distributed shall be applied: first, arrears or accruals of the dividend on the A3 Preference Shares (in creditors); second, a fixed cumulative preferential dividend of 6% p.a. on the subscription price of the A3 Preference Shares. this condition ceased to apply in the year; third an amount as the Board shall determine shall be distributed to the holders of the A1 Preference Shares and A2 Preference Shares ("Preference Shares") in proportion to the numbers of shares held; and fourth, an amount as the Board shall determine shall be distributed to the holders of the A ordinary shares and B ordinary shares ("Ordinary Shares") in proportion to the numbers of Ordinary Shares held.

Capital: On a return of capital on liquidation, Realisation (as defined) or otherwise, surplus assets remaining after liabilities shall be applied:

If the A3 Preference Shares have not converted:

First, the subscription price paid for the A3 Preference Shares plus arrears and accruals of the dividend; second in paying to the holders of the Preference Shares the Preferred Payment (as defined); third, in paying to the holders of the Preference Shares an amount equal to any declared but unpaid dividends outstanding; fourth, in paying to the holders of the Ordinary Shares the Preferred Payment; fifth, in respect of the balance remaining in distributing; sixth paying to the holders of the 'C1' and 'C2' Ordinary Shares in respect of the balance remaining in distributing; and, seventh paying to the holders of the 'D1' and 'D2' Ordinary Shares in respect of the balance remaining in distributing: (a) 50% to the holders of the Preference Shares in proportion to the number of shares held; and (b) 50% to the holders of the Ordinary Shares in proportion to the number of shares held.

If the A3 Preference Shares have converted:

First, in paying to the holders of the A1 Preference Shares, A2 Preference Shares and A3 Preference Shares the Adjusted Preferred Payment (as defined); second, in paying to the holders of the Preference Shares an amount equal to any declared but unpaid dividends outstanding; third, in paying to the holders of the Ordinary Shares the Preferred Payment; and fourth, in respect of the balance remaining in distributing; fifth paying to the holders of the 'C1' and 'C2' Ordinary Shares in respect of the balance remaining in distributing; and, sixth paying to the holders of the 'D1' and 'D2' Ordinary Shares in respect of the balance remaining in distributing: (a) the Adjusted Investor Percentage to the holders of the Preference Shares in proportion to the number of shares held; and (b) the remainder of such balance to the holders of the Ordinary Shares in proportion to the number of shares held. Holders of 'D2' Ordinary Shares shall be entitled to receive notice of and attend but not vote at general meetings.

Deferred Shares: Shall not be transferrable;

Shall not otherwise entitle the holders thereof to receive or participate in any dividend or other distribution paid, made or declared by the company; not entitled to receive any value or consideration whatsoever in the event of a sale of shares in the capital of the company at anytime whilst Deferred Shares are in issue.

On a liquidation, reduction in capital, dissolution or winding up of the company, entitle the holders thereof to the repayment of the amounts paid up or credited as paid up or credited as paid up on such shares which payment shall be made only after all the other shareholder classes have received in cash the amount paid up on each such share held by them plus an aggregate amount of £250,000,000 between them.

INDEPENDENT TALENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2020

22 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Assets 2020 £	Assets 2019 £
Group		
Accelerated Capital Allowances	33,295	26,668
	<u>33,295</u>	<u>26,668</u>
	Assets 2020 £	Assets 2019 £
Company		
Accelerated Capital Allowances	33,295	26,668
	<u>33,295</u>	<u>26,668</u>
	Group 2020 £	Company 2020 £
Movements in the period:		
Asset at 1 April 2019	(26,668)	(26,668)
Credit to profit or loss	(6,627)	(6,627)
	<u>(33,295)</u>	<u>(33,295)</u>
Asset at 30 September 2020	(33,295)	(33,295)

23 Retirement benefit schemes

	2020 £	2019 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	217,451	147,931
	<u>217,451</u>	<u>147,931</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

INDEPENDENT TALENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2020

24 Reserves

Share premium account - includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Capital redemption reserve - represents amounts transferred following the redemption of the company's own shares.

Equity reserve - represents the additional consideration above the cost of additional shares in subsidiary Gulp! Marketing Limited

The Profit & Loss Account reserve reflects accumulated retained historic profits and losses.

25 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2020 £	2019 £	Company 2020 £	2019 £
Within one year	939,350	939,350	939,350	939,350
Between two and five years	3,757,400	3,757,400	3,757,400	3,757,400
In over five years	2,348,375	3,757,400	2,348,375	3,757,400
	<u>7,045,125</u>	<u>8,454,150</u>	<u>7,045,125</u>	<u>8,454,150</u>

INDEPENDENT TALENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2020

26 Related party transactions

Remuneration of key management personnel

The total remuneration of the Directors who are considered to be the key management personnel of the Group is as follows:

	2020 £	2019 £
Aggregate compensation	9,153,080	5,182,138

Other information

The company has taken advantage of the exemption under FRS 102 not to disclose related party transactions between and with wholly owned group members.

The company charged SID Gentle Films Limited, an associate £182,852 (2019: £95,129) in respect of services provided in the period. Included in other debtors is £1,935 (2019: £2,325) owed to the company.

Included in other debtors is £23,988 (2019: £Nil) owed by Codependent Limited, a joint venture to the company.

Independent Talent Group Limited charged, or recharged expenses to non-wholly owned undertakings during the period as follows: Black Label Productions (International) Limited £Nil (2019: £101,883); Influence Digital Limited £180,881 (2019: £63,640); Independent Talent Digital Limited £1,474 (2019: £17,448); Expanded Media Productions Limited £13,515 (2019: £8,674); Merman Independent Limited £15,800 (2019: £Nil).

Expanded Media Productions Limited provided services during the period to Expanded Media, LLC, a related party, amounting to £1,182,346 (2019: £368,104). A balance of £Nil (2019: Nil) was owing at year end.

During the year the company was recharged costs totalling £3,885 from Paradigm Agency Limited, a company with common key management.

Included in other debtors is £233,329 (2019: £3,629) owed to the company by directors. A balance of £231,137 (2019: £1,849) was owed to the company by BD Heath, a director, an amount of £431,832 (2019: £485,857) was advanced and £200,695 (2019: £484,008) repaid during the year. A balance of £19 (2019: £1) was owed to the company by L Posner, expenses of £1,080 were paid on behalf of director and £1,062 was repaid by the director. A balance of £1,300 (2019: £1,553) was due from P Lyon-Maris, £55,957 of expenses were paid by the company on behalf of the director and £56,210 was repaid by the director. A balance of £872 (2019: £226) was due from S Long-Innes, £34,719 of expenses were paid by the company on behalf of the director and £34,072 was repaid by the director.

During the period a sum of £204,840 (2019: £136,560) was paid to a Director through the company which was subsequently repaid by Yucaipa Entertainment Group, a subsidiary of company shareholder, Yucaipa Entertainment Holdings LLC.

INDEPENDENT TALENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2020

27 Subsidiaries

Details of the company's subsidiaries at 30 September 2020 are as follows:

Name of undertaking and country of incorporation or residency	Nature of business	Class of shareholding	% Held
8th Floor Productions Limited*	England and Wales TV production services	Ordinary	100.00
Gulp! Marketing Limited*	England and Wales Holding company	Ordinary	55.01
Independent Talent Digital Limited	England and Wales Digital agency	Ordinary	80.00
Independent Talent Investments Limited *	England and Wales Investment holding company	Ordinary	100.00
Influence Digital Limited*	England and Wales Marketing agency	Ordinary	55.01
Talent Media Group Investments Limited	England and Wales Investment holding company	Ordinary	100.00
TMGI Holdings Limited*	England and Wales Non-trading company	Ordinary	100.00
Expanded Media Productions	England and Wales TV and film production	Ordinary	40.00
Off Script Limited*	England and Wales Podcasts production	Ordinary	85.00

*Held by a subsidiary undertaking.

Expanded Media Productions Limited is a subsidiary by nature as Independent Talent Group Limited has control over it.

The registered offices of all UK subsidiaries is the same as that of this company.

Independent Talent Investments Limited, Independent Talent Digital Limited, 8th Floor Productions Limited, Expanded Media Productions Limited, Gulp! Marketing Limited, Influence Digital Limited and Off Script Limited are exempt from audit by virtue of s479A of the Companies Act 2006 as there are cross guarantees given by the parent.

28 Disposals

On 22 September 2020 Broad Bean Media Limited, Feature Spot Productions Ltd and High Seas Films Limited were dissolved, and on 29 September 2020 TMGI Podcasts Limited was dissolved.

The group had 100% holding in Feature Spot Productions Ltd and High Seas Films Limited and 90% holding in Broad Bean Media Limited. Included in these financial statements are profits of £90,418 arising from the companies' interests in up to the date of disposal. The companies did not trade during the period.

The group received contingent consideration from the sale of investments in prior years.

INDEPENDENT TALENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2020

29 Joint ventures

Details of joint ventures at 30 September 2020 are as follows:

Name of undertaking and country of incorporation or residency		Nature of business	Class of shareholding	% Held
Black Label Productions (international) Limited**	England and Wales	TV Commercial production	Ordinary	50.00
Codependent Limited**	England and Wales	Holding company	Ordinary	50.00
TMGI Sports Ltd	England and Wales	Dormant	Ordinary	50.00
Merman Independent Limited	England and Wales	Film production	Ordinary	50.00

Companies annotated as ** are held indirectly.

Black Label Productions (International) Limited is in liquidation.

On 12 September 2019 Merman Independent Limited was incorporated.

The registered offices of all UK subsidiaries is the same as that of this company.

INDEPENDENT TALENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2020

30 Associates

Details of associates at 30 September 2020 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held
Sid Gentle Films (Gaiman) Limited **	England and Wales	T.V. production	Ordinary	22.05
Sid Gentle Films (SS-GB) Limited **	England and Wales	T.V. production	Ordinary	22.05
Sid Gentle Films (The Durrells) Limited **	England and Wales	T.V. production	Ordinary	22.05
Sid Gentle Films Limited	England and Wales	T.V. production	Ordinary	22.05
Sid Gentle Films (Corfu) Limited **	England and Wales	T.V. production	Ordinary	22.05
Sid Gentle Films (Ragdoll) Limited**	England and Wales	T.V. production	Ordinary	22.05
Sid Gentle Films (Killing Eve) Ltd **	England and Wales	T.V. production	Ordinary	22.05
Sid Gentle Films (KE2) Limited**	England and Wales	T.V. production	Ordinary	22.05
Sid Gentle Films (KE3) Limited**	England and Wales	T.V. production	Ordinary	22.05
Sid Gentle Films (TD4) Limited**	England and Wales	T.V. production	Ordinary	22.05
TMGI (Music) Limited***	England and Wales	Dormant	Ordinary	20.00
Coda ITG Sports Limited***	England and Wales	Holding company	Ordinary	25.00
Sid Gentle Films (KE4) Limited**	England and Wales	T.V. production	Ordinary	22.05
Y Festival Limited***	England and Wales	Music events	Ordinary	25.00

The company owns 22.05% of the ordinary shares of Sid Gentle Films Limited and its subsidiary undertakings. The aggregate capital and reverse of the company and its subsidiary undertakings at 30 September 2020 is £5,633,970 and profit during the period is £902,833.

Companies annotated as ** are subsidiaries of Sid Gentle Films Limited and held indirectly by the company.

The registered offices is Ground Floor, Charles House, 5-11 Regent Street, St James's, London, SW1Y 4LR.

Companies annotated as *** are held indirectly.

The registered offices of Y Festival Limited and Coda ITG Sports Limited is 1 Wenlock Road, London, England, N1 7SL.

The registered office of TMGI (Music) Limited is Ground Floor, Charles House, 5-11 Regent Street, St James's, London, SW1Y 4LR.

INDEPENDENT TALENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2020

31 Cash generated from group operations

	2020 £	2019 £
Profit for the period after tax	7,807,375	4,820,338
Adjustments for:		
Share of results of associates and joint ventures	(108,362)	(699,426)
Taxation charged	663,264	615,862
Finance costs	9,254	94,706
Investment income	(2,558,053)	(406,753)
Gain on disposal of tangible fixed assets	(3,059)	(16,236)
Amortisation and impairment of intangible assets	76,356	58,050
Depreciation and impairment of tangible fixed assets	322,823	246,683
Profit on disposal of subsidiary/associate	(3,347,607)	(1,464,676)
Increase in provisions	-	10,000
Movements in working capital:		
Increase in debtors	(383,458)	(19,002)
Increase/(decrease) in creditors	4,510,214	(986,078)
Cash generated from operations	6,988,747	2,253,468

32 Analysis of changes in net funds - group

	1 April 2019 £	Cash flows £	Other non-30 cash changes £	September 2020 £
Cash at bank and in hand	9,764,819	4,689,418	-	14,454,237
Borrowings excluding overdrafts	(1,644,990)	-	1,644,990	-
Obligations under finance leases	(2,780)	2,780	-	-
	<u>8,117,049</u>	<u>4,692,198</u>	<u>1,644,990</u>	<u>14,454,237</u>