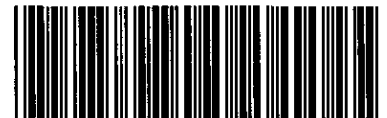


Company Registration No. 09736209 (England and Wales)

UNITED TALENT AGENCY UK LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
28 FEBRUARY 2023

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UNITED TALENT AGENCY UK LIMITED

COMPANY INFORMATION

Directors United Talent Agency, LLC
N P R W Warnock
L A Harding
A Thau

Company number 09736209

Registered office 1 Newman Street
London
United Kingdom
W1T 1PB

Auditor RSM UK Audit LLP
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB
United Kingdom

UNITED TALENT AGENCY UK LIMITED

GROUP STRATEGIC REPORT

FOR THE PERIOD ENDED 28 FEBRUARY 2023

The directors present the Group strategic report for the period ended 28 February 2023 for United Talent Agency UK Limited ("the Company") and its subsidiaries ("the Group").

The Group changed its accounting reference date to 28 February 2023 to align with the acquired group of entities. As a result of which the current period represents a 14 month period and therefore is not entirely comparable to the comparative year.

Business review and future development

The directors are satisfied with the performance of the Company and Group during the period.

The principal activity of the Group is that of a live music and comedy touring agency which includes corporate and public appearances' engagements.

For the live music and comedy business, new artist signings and the business philosophy of developing talent organically, along with the renewal and continuation of key contacts with major artists during the period, in line with normal annual churn, has resulted in a solid platform from which to grow the business in the years ahead. Due to the inherent nature of the live touring business, there can be notable fluctuations in revenue per artist.

During the period the Group acquired 100% of the issued share capital of Original Talent Limited. Original Talent is a combined agency, production and management group that aims to bring together the finest writers, actors, directors, presenters, performers, below the line talent and literary material on one platform. Original Talent's objective is to provide a platform for Europe's premier creative talent; and promote its huge library of literary material in the most innovative and flexible way, by placing creative talent at the heart of the process.

Principal risks and uncertainties

The directors consider the principal risks faced by the Company and the Group to be related to the continuing difficult global financial climate and its impact on the media sector.

Principally these risks and uncertainties are:

- Difficult global financial climate and its impact on commercial TV, film and theatre production;
- Strikes and global pandemics;
- Loss of key agents, clients and employees;
- Exchange rate fluctuations; and
- Uncertainty surrounding tax regimes.

Key performance indicators

Alongside regular comparisons of actual financial results to both budget and business plan, the Group uses the following key performance indicators:

Turnover - £46,353,871 (2021 - £3,739,511)
Operating loss - £14,207,952 (2021 - £5,539,606)
Net liabilities - £30,860,621 (2021 - £16,876,109)
Headcount - 346 (2021 - 64)

The significant increase in KPIs is primarily as a result of the acquisition of Original Talent Limited and its subsidiaries.

UNITED TALENT AGENCY UK LIMITED

GROUP STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 28 FEBRUARY 2023

Financial risk management

The Group's financial instruments as at 28 February 2023 mainly comprise cash and various items arising directly from its operations, such as trade and other debtors, trade and other creditors, deferred consideration and amounts owed to group undertakings.


The Group's policy is to obtain the highest rate of return on its cash balances subject to having sufficient resources to manage the business on a day-to-day basis and not exposing the Group to unnecessary risk of default.

The Group's finance function is responsible for procuring the Group's capital resources and maintaining an efficient capital structure, together with managing the Group's market, liquidity, interest and credit risk exposures.

Going concern

The Group and Company have net liabilities of £30,860,621 and £20,851,414 as at 28 February 2023 (2021: £16,876,109 and £6,800,509) and cash and cash equivalents of £14,488,943 and £Nil (2021: £2,003,137 and £Nil), respectively. United Talent Agency, LLC, the Group and Company's ultimate parent, has provided a letter of support to enable the Group and Company to settle all liabilities as they fall due and, unless the Group has sufficient funds, to not seek repayment of the entire intercompany balance of £71,787,851 outstanding and shown as due within one year for a period of at least twelve months from the date of signing of these financial statements. In November 2023 the Group received written agreement for an extension to the repayment date of the intercompany loan disclosed in note 20 and as such the loan is now due for repayment in November 2025. The directors have made inquiries and performed procedures to satisfy themselves that the ultimate parent will be able to provide the support pledged should it be called upon during the period. The directors have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future and accordingly have adopted the going concern basis in preparing these financial statements.

On behalf of the board



LA HARDING
47224994 AL28JALP

LA Harding
Director

Date: 14 February 2024

UNITED TALENT AGENCY UK LIMITED

GROUP DIRECTORS' REPORT

FOR THE PERIOD ENDED 28 FEBRUARY 2023

The directors present their annual report and financial statements for the period ended 28 February 2023.

Principal activities

The principal activity of the Group is that of a live music and comedy touring agency which includes corporate and public appearances' engagements.

On 22 June 2022 the Group acquired Original Talent Limited, a holding company for "The Curtis Brown Group", which is a combined agency, production and management group that aims to bring together the finest writers, actors, directors, presenters, performers, below the line talent and literary material on one platform.

Results and dividends

The results for the period are set out on page 9.

No ordinary dividends were paid. The directors do not recommend payment of a dividend.

Directors

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

United Talent Agency, LLC (Appointed 21 July 2023)

N P R W Warnock

LA Harding

A Thau (Appointed 21 July 2023)

Qualifying third party indemnity provisions

The Group and 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.

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the Group continues and that the appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee involvement

The Group's policy is to consult and discuss with employees matters likely to affect their interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the Group's performance.

Auditor

RSM UK Audit LLP were appointed as auditor to the Group and 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 absence of an Annual General Meeting.

Strategic report

The Group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the Group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of principal risks and uncertainties, key performance indicators and future developments.

UNITED TALENT AGENCY UK LIMITED

GROUP DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 28 FEBRUARY 2023

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 Company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the Company's auditor is aware of that information.

On behalf of the board



boxSIGN 422Y9996 #Q2858UP

LA Harding
Director

Date: 14 February 2024

UNITED TALENT AGENCY UK LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE PERIOD ENDED 28 FEBRUARY 2023

The directors are responsible for preparing the Strategic Report and 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 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;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 AUDITOR'S REPORT TO THE MEMBERS OF UNITED TALENT AGENCY UK LIMITED

Opinion

We have audited the financial statements of United Talent Agency UK Limited (the 'parent company') and its subsidiaries (the 'Group') for the period ended 28 February 2023 which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the company statement of financial position, 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 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 of the parent company's affairs as at 28 February 2023 and of the Group's loss 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNITED TALENT AGENCY UK LIMITED (CONTINUED)

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 their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

- Adequate accounting records have not been kept 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 set out on page 5, 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses, and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the Group audit engagement team:

- Obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks that the Group and parent company operates in and how the Group and parent company are complying with the legal and regulatory frameworks;
- Inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud; and
- Discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNITED TALENT AGENCY UK LIMITED (CONTINUED)

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures and evaluating advice received from external tax advisors.

There were no significant laws and regulations that were considered to have an indirect impact on the financial statements.

The Group engagement team identified the risk of management override of controls, revenue recognition and the year-end bonus accrual as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to any significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates applied. In addition, substantive testing was performed on both revenue transactions and the bonus calculations along with agreement to the in-year and post year-end bank 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.

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.

Mandy Girder

Mandy Girder (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB
United Kingdom

15 February 2024

UNITED TALENT AGENCY UK LIMITED

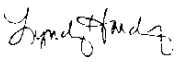
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 28 FEBRUARY 2023

		Period ended 28 February 2023 £	Year ended 31 December 2021 £
	Notes		
Turnover	3	46,353,871	3,739,511
Administrative expenses		(61,792,649)	(9,522,076)
Other operating income		1,230,826	242,959
Operating loss	6	(14,207,952)	(5,539,606)
Interest receivable and similar income	8	101,992	-
Interest payable and similar expenses	9	(311,713)	(171,509)
Loss before taxation		(14,417,673)	(5,711,115)
Tax (charge)/credit on loss	10	524,707	23,123
Loss for the financial period		(13,892,966)	(5,687,992)
Other comprehensive loss net of taxation			
Currency translation differences		(37,386)	(58)
Total comprehensive loss for the period		(13,930,352)	(5,688,050)
Loss for the financial period is attributable to:			
- Owners of the parent company		(13,913,393)	(5,687,992)
- Non-controlling interests		20,427	-
		(13,892,966)	(5,687,992)
Total comprehensive loss for the period is attributable to:			
- Owners of the parent company		(13,950,779)	(5,688,050)
- Non-controlling interests		20,427	-
		(13,930,352)	(5,688,050)

UNITED TALENT AGENCY UK LIMITED**CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 28 FEBRUARY 2023**

	Notes	28 February 2023	31 December 2021
		£	£
Fixed assets			
Goodwill	12	19,674,411	2,268,056
Other intangible assets	12	33,321,313	204,104
Total intangible assets		52,995,724	2,472,160
Tangible assets	13	5,308,059	239,172
		58,303,783	2,711,332
Current assets			
Debtors falling due after more than one year	19	2,560,686	-
Debtors falling due within one year	19	11,240,135	1,213,385
Cash at bank and in hand		14,488,943	2,003,137
		28,289,764	3,216,522
Creditors: amounts falling due within one year	20	(104,272,958)	(14,744,807)
Net current liabilities		(75,983,194)	(11,528,285)
Total assets less current liabilities		(17,679,411)	(8,816,953)
Creditors: amounts falling due after more than one year	21	(3,729,958)	(8,054,875)
Provisions for liabilities	23	(9,451,252)	(4,281)
Net liabilities		(30,860,621)	(16,876,109)
Capital and reserves			
Called up share capital	26	1	1
Profit and loss reserves	27	(30,826,889)	(16,876,110)
Equity attributable to owners of the parent company		(30,826,888)	(16,876,109)
Non-controlling interests		(33,733)	-
		(30,860,621)	(16,876,109)

The financial statements were approved by the board of directors and authorised for issue on 14 February 2024 and are signed on its behalf by:



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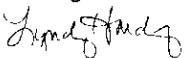
LA Harding
Director

UNITED TALENT AGENCY UK LIMITED**COMPANY STATEMENT OF FINANCIAL POSITION****AS AT 28 FEBRUARY 2023**

	Notes	28 February 2023	31 December 2021
		£	£
Fixed assets			
Intangible assets	12	195,890	-
Investments	14	47,393,410	6,728,458
		<u>47,589,300</u>	<u>6,728,458</u>
Current assets			
Debtors falling due after more than one year	19	427,566	-
Debtors falling due within one year	19	41,376	1
		<u>468,942</u>	<u>1</u>
Creditors: amounts falling due within one year	20	(65,698,961)	(13,183,757)
Net current liabilities		<u>(65,230,019)</u>	<u>(13,183,756)</u>
Total assets less current liabilities		<u>(17,640,719)</u>	<u>(6,455,298)</u>
Creditors: amounts falling due after more than one year	21	(3,210,695)	(345,211)
Net liabilities		<u>(20,851,414)</u>	<u>(6,800,509)</u>
Capital and reserves			
Called up share capital	26	1	1
Profit and loss reserves	27	(20,851,415)	(6,800,510)
Total equity		<u>(20,851,414)</u>	<u>(6,800,509)</u>

As permitted by Section 408 of the Companies Act 2006, the Company has not presented its own statement of comprehensive income and related notes as it prepares group accounts. The Company's loss for the year was £14,050,905 (31 December 2021 - £139,177 loss).

The financial statements were approved by the board of directors and authorised for issue on 14 February 2024 and are signed on its behalf by:



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L A Harding
Director

UNITED TALENT AGENCY UK LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 28 FEBRUARY 2023

	Share capital £	Profit and loss reserves £	Total controlling interest £	Non- controlling interest £	Total £
Balance at 1 January 2021	1	(11,188,060)	(11,188,059)	-	(11,188,059)
Year ended 31 December 2021:					
Loss for the year	-	(5,687,992)	(5,687,992)	-	(5,687,992)
Other comprehensive loss net of taxation:					
Currency translation differences	-	(58)	(58)	-	(58)
Total comprehensive loss for the year	-	(5,688,050)	(5,688,050)	-	(5,688,050)
Balance at 31 December 2021	1	(16,876,110)	(16,876,109)	-	(16,876,109)
Period ended 28 February 2023:					
Loss for the period	-	(13,913,393)	(13,913,393)	20,427	(13,892,966)
Other comprehensive loss net of taxation:					
Currency translation differences	-	(37,386)	(37,386)	-	(37,386)
Total comprehensive loss for the period	-	(13,950,779)	(13,950,779)	20,427	(13,930,352)
Acquisition of subsidiary	-	-	-	(54,160)	(54,160)
Balance at 28 February 2023	1	(30,826,889)	(30,826,888)	(33,733)	(30,860,621)

UNITED TALENT AGENCY UK LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 28 FEBRUARY 2023

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 January 2021	1	(6,661,333)	(6,661,332)
Year ended 31 December 2021:			
Loss and total comprehensive loss for the year	-	(139,177)	(139,177)
Balance at 31 December 2021	1	(6,800,510)	(6,800,509)
Period ended 28 February 2023:			
Loss and total comprehensive loss for the period	-	(14,050,905)	(14,050,905)
Balance at 28 February 2023	1	(20,851,415)	(20,851,414)

UNITED TALENT AGENCY UK LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 28 FEBRUARY 2023

	Notes	28 February 2023	31 December 2021
		£	£
Cash flows from operating activities			
Cash generated from/(absorbed by) operations	28	40,212,888	(5,446,902)
Interest paid		(311,713)	(171,509)
Income taxes (paid)/refunded		(254,271)	7,899
Net cash inflow/(outflow) from operating activities		39,646,904	(5,610,512)
Investing activities			
Purchase of business (net of cash acquired)	(28,014,090)	(1,249,068)	
Purchase of intangible assets	(2,713,405)	-	
Purchase of tangible fixed assets	(4,909,567)	(100,951)	
Interest received	101,992	-	
Net cash used in investing activities		(35,535,070)	(1,350,019)
Financing activities			
Proceeds from loans from parent company	8,513,263	7,778,733	
Payment of finance leases obligations	(47,745)	-	
Acquisition of non-controlling interest	(54,160)	-	
Net cash generated from financing activities		8,411,358	7,778,733
Net increase in cash and cash equivalents		12,523,192	818,202
Cash and cash equivalents at beginning of period		2,003,137	1,184,993
Effect of foreign exchange rates		(37,386)	(58)
Cash and cash equivalents at end of period		14,488,943	2,003,137

UNITED TALENT AGENCY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 FEBRUARY 2023

1 Accounting policies

Company information

United Talent Agency UK Limited ("the Company") is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is 1 Newman Street, London, United Kingdom, W1T 1PB.

The Company's and the Group's principal activities and nature of its operations are disclosed in the Directors' Report.

The Group consists of United Talent Agency UK Limited and all of its subsidiaries.

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.

The financial statements are prepared in Pound Sterling (GBP), which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £, except where otherwise indicated.

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

The Company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this Company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group. The Company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures; and
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;

Basis of consolidation

The consolidated financial statements incorporate those of United Talent Agency UK Limited and all of its subsidiaries (i.e. 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 28 February 2023. 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.

UNITED TALENT AGENCY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 FEBRUARY 2023

1 Accounting policies (Continued)

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.

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.

Going concern

The Group and Company have net liabilities of £30,860,621 and £20,851,414 as at 28 February 2023 (2021: £16,876,109 and £6,800,509) and cash and cash equivalents of £14,488,943 and £Nil (2021: £2,003,137 and £Nil), respectively. United Talent Agency, LLC, the Group and Company's ultimate parent, has provided a letter of support to enable the Group and Company to settle all liabilities as they fall due and, unless the Group has sufficient funds, to not seek repayment of the entire intercompany balance of £71,787,851 outstanding and shown as due within one year for a period of at least twelve months from the date of signing of these financial statements. In November 2023 the Group received written agreement for an extension to the repayment date of the intercompany loan disclosed in note 20 and as such the loan is now due for repayment in November 2025. The Group has also obtained an additional £10 million facility from United Talent Agency, LLC in December 2023 repayable in December 2025. The directors have made inquiries and performed procedures to satisfy themselves that the ultimate parent will be able to provide the support pledged should it be called upon during the period. The directors have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future and accordingly have adopted the going concern basis in preparing these financial statements.

Reporting period

The Group changed its accounting reference date to 28 February 2023 to align with the acquired group of entities. As a result of which the current period represents a 14 month period and therefore is not entirely comparable to the comparative year.

Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably;
- and
- the costs incurred and the costs to complete the contract can be measured reliably.

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.

Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

UNITED TALENT AGENCY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 28 FEBRUARY 2023

1 Accounting policies (Continued)

Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 8 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

Intangible fixed assets other than goodwill

Intangible assets internally developed and purchased other than in a business combination are recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

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.

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

Software	3 - 5 years straight line
Trademarks	8 - 10 years straight line
Website development	3 - 5 years straight line
Agent relationships	8 years straight line
Non-compete agreements	2 years straight line

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

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 of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	Over the period of the lease
Fixtures, fittings and other equipment	3 - 7 years straight line
Motor vehicles	3 years straight line

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 credited or charged to profit or loss.

Fixed asset investments

In the separate accounts of the Company, interests in subsidiaries, and indirect interests of jointly controlled entities and significant undertakings, are all initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

UNITED TALENT AGENCY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 28 FEBRUARY 2023

1 Accounting policies (Continued)

A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Entities in which the Group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

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 Group 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.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash at bank and in hand.

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 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 trade and other debtors, amounts owed by group undertakings 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.

UNITED TALENT AGENCY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 FEBRUARY 2023

1 Accounting policies (Continued)

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 trade and other creditors, bank loans and amounts owed to group undertakings are initially recognised at transaction price and are subsequently measured at amortised cost, being transaction price less amounts settled.

Borrowings

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the Group's contractual obligations are discharged, cancelled, or they expire.

Equity instruments

Equity instruments issued by the Group are recorded at the fair value of proceeds received, net of transaction costs.

UNITED TALENT AGENCY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 FEBRUARY 2023

1 Accounting policies (Continued)

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination and the amounts that can be deducted or assessed for tax. The deferred tax recognised is adjusted against goodwill.

Deferred tax is recognised on income and expenses from subsidiaries and interests in jointly controlled entities and significant interests, that will be assessed to or allow for tax in a future period except where the group is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

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.

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.

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

UNITED TALENT AGENCY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 FEBRUARY 2023

1 Accounting policies (Continued)

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

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 statement of financial position 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.

Government grants

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

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

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

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.

UNITED TALENT AGENCY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 FEBRUARY 2023

2 Judgements and key sources of estimation uncertainty (Continued)

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Impairment of assets

Financial and non-financial assets are subject to impairment reviews based on whether current or future events and circumstances suggest that their 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.

The Group's intangible assets, including goodwill, are assessed annually for indicators of impairment. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

During the year Goodwill was impaired by £597,722 (2021: £nil).

Intangible assets recognised on a business combination

The Group recognises intangible assets acquired as part of business combinations at fair value at the date of acquisition. The determination of these fair values is based upon management's judgement and includes assumptions on the timing and amount of future discounted cash flows generated by the assets and appropriate discounted costs. Furthermore, management must estimate the expected useful lives of intangible assets and charge amortisation on these assets accordingly.

Deferred consideration

Deferred consideration is payable in relation to acquisitions made. A proportion of this consideration is contingent on performance. Management in estimating the value of this element of consideration has made assumptions in relation to future performance of certain subsidiaries acquired.

3 Turnover and other revenue

	28 February 2023	31 December 2021
	£	£
Other revenue		
Other operating income	1,067,368	24,840
Government grants receivable	163,458	218,119
	<u>1,230,826</u>	<u>242,959</u>

Government grants received in the current period represent amounts received by the Group in respect of the COVID-19 related government initiatives in overseas jurisdictions. In the prior year the government grants represents amounts received by the Group in respect of the Coronavirus Job Retention Scheme ("CJRS") and similar initiatives in overseas jurisdictions.

UNITED TALENT AGENCY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 28 FEBRUARY 2023

3 Turnover and other revenue (Continued)

	28 February 2023 £	31 December 2021 £
Turnover analysed by geographical market		
United Kingdom	45,072,300	3,541,139
Rest of Europe	1,012,443	163,562
Rest of World	269,128	34,810
	<u>46,353,871</u>	<u>3,739,511</u>

The Group's turnover is derived from the Group's principal activities.

4 Employees

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

	Group 28 February 2023 Number	31 December 2021 Number	Company 28 February 2023 Number	31 December 2021 Number
Sales and Agency	283	33	-	-
Administrative, Finance and Management	63	31	-	-
Total	<u>346</u>	<u>64</u>	<u>-</u>	<u>-</u>

Their aggregate remuneration comprised:

	Group 28 February 2023 £	31 December 2021 £	Company 28 February 2023 £	31 December 2021 £
Wages and salaries	30,019,383	5,707,035	-	-
Social security costs	4,021,853	771,347	-	-
Pension costs	898,397	266,810	-	-
	<u>34,939,633</u>	<u>6,745,192</u>	<u>-</u>	<u>-</u>

5 Directors' remuneration

	28 February 2023 £	31 December 2021 £
Remuneration for qualifying services	<u>799,317</u>	<u>500,000</u>

UNITED TALENT AGENCY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 28 FEBRUARY 2023

5 Directors' remuneration (Continued)

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

	28 February 2023 £	31 December 2021 £
Remuneration for qualifying services	799,317	500,000

6 Operating loss

	28 February 2023 £	31 December 2021 £
Operating loss for the period is stated after charging/(crediting):		
Exchange losses	1,039,118	217,269
Government grants	(163,458)	(218,119)
Depreciation of owned tangible fixed assets	409,036	112,783
Depreciation of tangible fixed assets held under finance leases	38,818	-
Amortisation of intangible assets	4,813,355	381,674
Impairment of intangible assets	597,722	-
Operating lease charges	3,286,310	709,878

7 Auditor's remuneration

	28 February 2023 £	31 December 2021 £
Fees payable to the Company's auditor and associates:		
For audit services		
Audit of the financial statements of the Group and Company	177,750	82,500
For other services		
All other non-audit services	108,250	17,300

8 Interest receivable and similar income

	28 February 2023 £	31 December 2021 £
Interest income		
Interest on bank deposits	53,680	-
Other interest income	48,312	-
Total income	101,992	-

UNITED TALENT AGENCY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 FEBRUARY 2023

9 Interest payable and similar expenses

	28 February 2023	31 December 2021
	£	£
Interest on bank overdrafts and loans	5,967	-
Interest payable to group undertakings	106,553	6,791
Other interest on financial liabilities	196,748	-
Interest on finance leases and hire purchase contracts	2,445	-
Foreign exchange loss	-	164,718
	<u>311,713</u>	<u>171,509</u>
Total finance costs	<u>311,713</u>	<u>171,509</u>

10 Taxation

	28 February 2023	31 December 2021
	£	£
Current tax		
UK corporation tax on profits for the current period	27,090	(7,218)
Foreign current tax on profits for the current period	141,404	-
	<u>168,494</u>	<u>(7,218)</u>
Deferred tax		
Origination and reversal of timing differences	(704,353)	(15,905)
Adjustment in respect of prior periods	11,152	-
	<u>(693,201)</u>	<u>(15,905)</u>
Total deferred tax	<u>(693,201)</u>	<u>(15,905)</u>
Total tax credit	<u>(524,707)</u>	<u>(23,123)</u>

UNITED TALENT AGENCY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 28 FEBRUARY 2023

10 Taxation (Continued)

The total tax credit for the period included in the income statement can be reconciled to the loss before tax multiplied by the standard rate of tax as follows:

	28 February 2023 £	31 December 2021 £
Loss before taxation	(14,417,673)	(5,711,115)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (31 December 2021: 19.00%)	(2,739,358)	(1,085,112)
Tax effect of expenses that are not deductible in determining taxable profit	1,581,720	102,167
Other permanent differences	-	(15,072)
Deferred tax adjustments in respect of prior years	11,152	-
Movement in deferred tax not recognised	990,082	1,004,833
Fixed asset differences	34,205	(29,939)
Deferred tax adjustment to average rate	(350,420)	-
Effect of different tax rates of foreign subsidiaries	(52,088)	-
Taxation credit	(524,707)	(23,123)

11 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

	Notes	28 February 2023 £	31 December 2021 £
In respect of:			
Goodwill	12	597,722	-
Recognised in:			
Administrative expenses		597,722	-

UNITED TALENT AGENCY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 28 FEBRUARY 2023

12 Intangible fixed assets

Group	Goodwill	Software	Trademarks	Website development	Agent relationships	Non-compete agreements	Total
	£	£	£	£	£	£	£
Cost							
At 1 January 2022	3,504,510	8,657	645,244	-	-	-	4,158,411
Additions - separately acquired	2,288,468	73,830	-	51,107	-	300,000	2,713,405
Additions - business combinations	17,285,676	156,430	4,500,000	79,130	31,200,000	-	53,221,236
At 28 February 2023	23,078,654	238,917	5,145,244	130,237	31,200,000	300,000	60,093,052
Amortisation and impairment							
At 1 January 2022	1,236,454	6,232	443,565	-	-	-	1,686,251
Amortisation charged for the period	1,570,067	76,934	450,278	11,966	2,600,000	104,110	4,813,355
Impairment losses	597,722	-	-	-	-	-	597,722
At 28 February 2023	3,404,243	83,166	893,843	11,966	2,600,000	104,110	7,097,328
Carrying amount							
At 28 February 2023	19,674,411	155,751	4,251,401	118,271	28,600,000	195,890	52,995,724
At 31 December 2021	2,263,056	2,425	201,679	-	-	-	2,472,160

UNITED TALENT AGENCY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 28 FEBRUARY 2023

Company	Non-complete agreements £
Cost	
Additions	300,000
At 28 February 2023	300,000
Amortisation and impairment	
Amortisation charged for the period	104,110
At 28 February 2023	104,110
Carrying amount	
At 28 February 2023	195,890
At 31 December 2021	-

More information on impairment movements in the period is given in note 11.

13 Tangible fixed assets

Group	Leasehold improvements £	Fixtures, fittings and other equipment £	Motor vehicles £	Total £
Cost				
At 1 January 2022	-	1,441,829	2,813	1,444,642
Additions	4,468,786	906,601	-	5,375,387
Business combinations	76,408	64,946	-	141,354
Disposals	(76,408)	(81,338)	(2,813)	(160,559)
Transfers	1,098,285	(1,098,285)	-	-
At 28 February 2023	5,567,071	1,233,753	-	6,800,824
Depreciation and impairment				
At 1 January 2022	-	1,202,657	2,813	1,205,470
Depreciation charged in the period	134,428	313,426	-	447,854
Eliminated in respect of disposals	(76,408)	(81,338)	(2,813)	(160,559)
Transfers	1,022,037	(1,022,037)	-	-
At 28 February 2023	1,080,057	412,708	-	1,492,765
Carrying amount				
At 28 February 2023	4,487,014	821,045	-	5,308,059
At 31 December 2021	-	239,172	-	239,172

The Company had no tangible fixed assets at 28 February 2023 or 31 December 2021.

UNITED TALENT AGENCY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 FEBRUARY 2023

13 Tangible fixed assets (Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases:

	Group		Company	
	28 February 2023	31 December 2021	28 February 2023	31 December 2021
	£	£	£	£
Fixtures, fittings and other equipment	427,002	-	-	-

14 Fixed asset investments

		Group		Company	
		28 February 2023	31 December 2021	28 February 2023	31 December 2021
	Notes	£	£	£	£
Investments in subsidiaries	16	-	-	47,393,410	6,728,458

Movements in fixed asset investments

Company	Shares in group undertakings
	£
Cost or valuation	
At 1 January 2022	11,908,901
Additions	45,628,094
At 28 February 2023	57,536,995
Impairment	
At 1 January 2022	5,180,443
Impairment losses	4,963,142
At 28 February 2023	10,143,585
Carrying amount	
At 28 February 2023	47,393,410
At 31 December 2021	6,728,458

The additions to investments relate to the acquisition of Original Talent Limited for consideration of £43,339,626 (Note 15) as well as fair value adjustments to deferred and contingent consideration of £2,288,468.

UNITED TALENT AGENCY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 28 FEBRUARY 2023

15 Acquisition

On 22 June 2022 the Group acquired 100% percent of the issued capital of Original Talent Limited for consideration of £43,339,626.

	Book Value £	Adjustments £	Fair Value £
Net assets acquired			
Intangible fixed assets	27,354,318	8,581,242	35,935,560
Tangible fixed assets	141,354	-	141,354
Trade and other debtors	4,908,877	-	4,908,877
Cash and cash equivalents	7,934,519	-	7,934,519
Finance leases	(8,927)	-	(8,927)
Trade and other creditors	(16,129,259)	-	(16,129,259)
Corporation tax receivable	431,613	-	431,613
Deferred tax	(5,068,637)	(2,145,310)	(7,213,947)
Total identifiable net assets	19,563,858	6,435,932	25,999,790
Non-controlling interests			54,160
Goodwill			17,285,676
Total consideration			43,339,626
The consideration was satisfied by:			£
Cash			35,670,759
Deferred consideration			7,391,017
Transaction costs			277,850
			43,339,626
Contribution by the acquired business for the reporting period included in the group statement of comprehensive income since acquisition:			£
Turnover			28,144,477
Profit after tax			3,840,096

UNITED TALENT AGENCY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 FEBRUARY 2023

16 Subsidiaries

Details of the Company's subsidiaries at 28 February 2023 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
The Agency (Holdings) Limited	1 Newman Street, London, W1T 1PB	Holding company	Ordinary	100.00	-
United Talent Agency UK Operations Limited	As above	Music agents	Ordinary	-	100.00
The Agency Group Scandinavia AB	Angelholmsgatan 3A, 214 22 Malmo, Sweden	Music agents	Ordinary	-	100.00
Echo Location Talent Agency Limited	1 Newman Street, London, W1T 1PB	Performing arts agents	Ordinary	100.00	-
Echo Location Talent Agency Pty. Ltd	Level 3, 689 Burke Road, Camberwel, 1 Victoria 3124, Australia	Performing arts agents	Ordinary	-	100.00
Original Talent Limited	2nd Floor, Cunard House, 15 Regent Street, London, SW1Y 4LR	Literary and media agency	Ordinary	100.00	-
Curtis Brown Group Holdings Limited	As above	Intermediate holding company	Ordinary	-	100.00
Curtis Brown Group Limited	As above	Literary and media agency	Ordinary	-	100.00
Convillie & Walsh Limited	As above	Literary and media agency	Ordinary	-	100.00
Curtis Brown Creative Ltd	As above	Creative writing school	Ordinary	-	100.00
Cuba Pictures Limited	As above	Film development and screen promotion	Ordinary	-	89.50
Cuba Pictures (Broken) Limited*	As above	Dormant	Ordinary	-	100.00
Cuba Pictures (London Road) Ltd*	As above	Dormant	Ordinary	-	100.00
Cuba Rights Ltd*	As above	Dormant	Ordinary	-	100.00
JSMN (CD) Ltd*	As above	Dormant	Ordinary	-	100.00
The Ones Below Limited*	As above	Dormant	Ordinary	-	100.00
CPL Coalition Limited*	As above	Dormant	Ordinary	-	100.00
CPL Godman Limited*	As above	TV development and screen promotion	Ordinary	-	100.00
Original Talent EBT Limited	As above	Employee benefit Trust	Ordinary	-	100.00
DAA Management Limited	As above	Media agency	Ordinary	-	100.00
Ed Victor Limited	As above	Literary agency	Ordinary	-	100.00
CPL Films Limited	As above	Dormant	Ordinary	-	100.00
CPL Love Limited*	As above	Dormant	Ordinary	-	100.00
CPL Godman 2 Limited*	As above	Dormant	Ordinary	-	100.00
Meryl Hoffman Management Limited	As above	Media agency	Ordinary	-	100.00
Tavistock Wood Management Limited	As above	Media agency	Ordinary	-	100.00
Markham Froggatt & Irwin Limited	As above	Media agency	Ordinary	-	100.00
CPL New 4 Limited	As above	Dormant	Ordinary	-	100.00
CPL The Rumour Limited*	As above	Dormant	Ordinary	-	100.00
CPL New 6 Limited*	As above	Dormant	Ordinary	-	100.00

UNITED TALENT AGENCY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 28 FEBRUARY 2023

16 Subsidiaries

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Thirsty Sky Limited	As above	Dormant	Ordinary	-	100.00
Peacock Street Limited	As above	Dormant	Ordinary	-	100.00
Ships and Boats Limited	As above	Dormant	Ordinary	-	100.00

* indicates that the entities are indirectly held through the group's 89.5% subsidiary Cuba Pictures Limited.

Audit exemptions

United Talent Agency UK Limited has guaranteed the following subsidiaries' liabilities in accordance with Section 479C of the Companies Act 2006 (the 'Act'):

Company name	Company registration number
The Agency (Holdings) Limited	00548073
United Talent Agency UK Operations Limited	02517741
Echo Location Talent Agency Limited	08259096
Curtis Brown Group Holdings Limited	04280673
Conville & Walsh Limited	03347500
Curtis Brown Creative Ltd	08880058
Cuba Pictures (Broken) Limited	06925831
Cuba Pictures (London Road) Ltd	08879582
Cuba Rights Ltd	08661589
JSMN (CD) Ltd	08717718
The Ones Below Limited	09093889
CPL Coalition Limited	09127477
CPL Godman Limited	09737725
Original Talent EBT Limited	10404638
DAA Management Limited	06827968
Ed Victor Limited	01270161
CPL Love Limited	11024686
Meryl Hoffman Management Limited	08316095
Tavistock Wood Management Limited	05537975
Markham Froggatt & Irwin Limited	07268133

By guaranteeing the debts, these subsidiaries have relied on the exemption not to have their individual accounts audited, in accordance with Section 479A of the Act.

On 26 September 2023 Thirsty Sky Limited, Peacock Street Limited and Ships and Boats Limited were struck off the company register.

UNITED TALENT AGENCY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 28 FEBRUARY 2023

17 Joint ventures

Details of joint ventures at 28 February 2023 are as follows:

Name of undertaking	Registered office	Nature of business	Interest held	% Held	
				Direct	Indirect
CPL New 4 Limited	2nd Floor, Cunard House, 15 Regent Street, London, United Kingdom, SW1Y 4LR	TV development and screen promotion	Ordinary	-	50.00

18 Significant undertakings

The group also has significant holdings in undertakings which are not subsidiaries and are not classified as joint ventures or associated undertakings:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Curtis Brown (Australia) Pty Limited	10 Heeley St Paddington NSW 2022, Australia	Literary and media agency	Ordinary	-	25.00

At 30 June 2022, the most recent financial year end for which information is available, the capital and reserves of Curtis Brown (Australia) Pty Limited was £978,758. In the year to 30 June 2022 this Company made a profit after tax of £422,327.

UNITED TALENT AGENCY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 28 FEBRUARY 2023

19 Debtors

	Group		Company	
	28 February 2023	31 December 2021	28 February 2023	31 December 2021
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	3,433,813	196,055	-	-
Unpaid share capital	1	1	1	1
Corporation tax recoverable	775,304	139,015	-	-
Amounts owed by group undertakings*	680,911	-	-	-
Amounts owed by undertakings in which the company has a participating interest	107,371	-	-	-
Other debtors	709,893	230,997	-	-
Prepayments and accrued income	3,875,944	647,317	41,375	-
	9,583,237	1,213,385	41,376	1
Deferred tax asset (note 24)	1,656,898	-	-	-
	11,240,135	1,213,385	41,376	1
Amounts falling due after more than one year:				
Other debtors	1,997,773	-	250,000	-
Prepayments and accrued income	562,913	-	177,566	-
	2,560,686	-	427,566	-
Total debtors	13,800,821	1,213,385	468,942	1

* The balance included in amounts owed by group undertakings relates to other group entities which are not included within this consolidation.

20 Creditors: amounts falling due within one year

		Group		Company	
		28 February 2023	31 December 2021	28 February 2023	31 December 2021
	Notes	£	£	£	£
Obligations under finance leases	22	155,273	-	-	-
Trade creditors		647,438	97,275	-	-
Amounts owed to group undertakings*		71,787,851	13,194,594	52,283,607	13,183,757
Corporation tax payable		123,625	4,053	-	-
Other taxation and social security		1,023,626	506,117	-	-
Other creditors		15,318,425	140,127	13,415,354	-
Accruals and deferred income		15,216,720	802,641	-	-
		104,272,958	14,744,807	65,698,961	13,183,757

UNITED TALENT AGENCY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 FEBRUARY 2023

20 Creditors: amounts falling due within one year (Continued)

* In the Group columns, the balance included in amounts owed to group undertakings relates to other group entities which are not included within this consolidation.

The Group has obtained a letter of support to confirm that the balance outstanding of £71,787,851 and shown as due within one year will not be recalled for at least 12 months from the date of signing of these financial statements.

Included within amounts owed to group undertakings is a loan balance of £16,146,078, denominated in USD, payable to the Group's parent company. This amount was due for repayment in November 2023. In November 2023 the Group received written agreement for an extension to the repayment date of the intercompany loan and as such the loan is now due for repayment in November 2025.

The remaining balance is interest free and repayable on demand.

Other creditors include deferred consideration of £13,740,354 (2021: £nil) for the Group and £13,415,354 (2021: £nil) for the Company. Some of the amounts payable are contingent on the future performance of the Group.

21 Creditors: amounts falling due after more than one year

		Group		Company	
		28 February 2023	31 December 2021	28 February 2023	31 December 2021
	Notes	£	£	£	£
Obligations under finance leases	22	271,729	-	-	-
Amounts owed to group undertakings		-	7,709,665	-	-
Other creditors		3,458,229	345,210	3,210,695	345,211
		<u>3,729,958</u>	<u>8,054,875</u>	<u>3,210,695</u>	<u>345,211</u>

Within other creditors is £247,534 (2021: £nil) relating to contingent consideration due in relation to the 2021 acquisition and £3,210,695 (2021: £nil) due in relation to the current period acquisition. Some of the amounts payable are contingent on future performance.

Included within 2021 are amounts owed to parent undertakings is £7,709,665, denominated in USD, which is due for repayment in November 2023. This balance is shown within note 20, creditors falling due within one year, in the current period.

22 Finance lease obligations

	Group		Company	
	28 February 2023	31 December 2021	28 February 2023	31 December 2021
	£	£	£	£
Future minimum lease payments due under finance leases:				
Less than one year	155,273	-	-	-
Between one and five years	271,729	-	-	-
	<u>427,002</u>	<u>-</u>	<u>-</u>	<u>-</u>

UNITED TALENT AGENCY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 28 FEBRUARY 2023

23 Provisions for liabilities

		Group		Company	
		28 February	31 December	28 February	31 December
		2023	2021	2023	2021
	Notes	£	£	£	£
Dilapidations provision		1,270,000	-	-	-
Deferred tax liabilities	24	8,181,252	4,281	-	-
		<u>9,451,252</u>	<u>4,281</u>	<u>-</u>	<u>-</u>

Movements on provisions apart from deferred tax liabilities:

	Dilapidations provision £
Group	
Additional provisions in the year	<u>1,270,000</u>

The dilapidations provision increased during the year as a Group entity entered into a new lease for three floors at Cunard House, 15 Regent Street, London SW1Y 4LR and another Group entity entered into a new lease for 1 Newman Street, London, United Kingdom, W1T 1PB.

24 Deferred taxation

The major deferred tax liabilities and assets recognised by the Group and Company are:

	Liabilities	Liabilities	Assets	Assets
	28 February	31 December	28 February	31 December
	2023	2021	2023	2021
	£	£	£	£
Group				
Accelerated capital allowances	-	42,254	18,800	-
Tax losses	-	(37,973)	1,428,066	-
Intangible assets acquired on business combination	8,181,252	-	-	-
Other timing differences	-	-	210,032	-
	<u>8,181,252</u>	<u>4,281</u>	<u>1,656,898</u>	<u>-</u>

The Company has no deferred tax assets or liabilities.

UNITED TALENT AGENCY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 28 FEBRUARY 2023

24 Deferred taxation (Continued)

	Group 28 February 2023 £	Company 28 February 2023 £
Movements in the period:		
Liability at 1 January 2022	4,281	-
Credit to profit or loss	(693,201)	-
Exchange differences	(673)	-
Acquired on business combinations	7,213,947	-
Liability at 28 February 2023	6,524,354	-

The net deferred tax liability set out above is expected to reverse in more than 12 months and primarily relates to intangible assets acquired on business combinations that are expected to mature within the same period. The recognised deferred tax asset in relation to available tax losses primarily relates to the exercise of share options following the acquisition of Original Talent Limited and its subsidiaries, the availability of these losses is subject to HMRC agreement.

25 Retirement benefit schemes

	28 February 2023 £	31 December 2021 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	898,397	266,810

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. Contributions totalling £58,356 (2021: £36,483) were payable to the fund at the reporting date.

26 Share capital

	Group and Company			
	28 February 2023 Number	31 December 2021 Number	28 February 2023 £	31 December 2021 £
Ordinary share capital Issued and not fully paid				
Ordinary share of £1 each	1	1	1	1

The Company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the Company

27 Reserves

Profit and loss reserves

Cumulative profit and loss net of distributions to owners.

UNITED TALENT AGENCY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 28 FEBRUARY 2023

28 Cash generated from/(absorbed by) group operations

	28 February 2023 £	31 December 2021 £
Loss for the period after tax	(13,892,966)	(5,687,992)
Adjustments for:		
Taxation credited	(524,707)	(23,123)
Finance costs	311,713	171,509
Investment income	(101,992)	-
Amortisation and impairment of intangible assets	5,411,077	381,674
Depreciation and impairment of tangible fixed assets	447,854	112,783
Increase in provisions	1,270,000	-
Movements in working capital:		
Increase in debtors	(5,385,373)	(721,912)
Increase in creditors	52,677,282	320,159
Cash generated from/(absorbed by) operations	40,212,888	(5,446,902)

29 Analysis of changes in net funds - group

	1 January 2022 £	Cash flows £	Acquisitions and disposals £	New finance leases £	Exchange rate movements £	28 February 2023 £
Cash at bank and in hand	2,003,137	12,523,192	-	-	(37,386)	14,488,943
Obligations under finance leases	-	-	(8,927)	(418,075)	-	(427,002)
	2,003,137	12,523,192	(8,927)	(418,075)	(37,386)	14,061,941

30 Operating lease commitments

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		Company	
	28 February 2023 £	31 December 2021 £	28 February 2023 £	31 December 2021 £
Within one year	2,442,288	290,341	-	-
Between one and five years	11,287,045	-	-	-
In over five years	11,651,820	-	-	-
	25,381,153	290,341	-	-

UNITED TALENT AGENCY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 FEBRUARY 2023

31 Events after the reporting date

On 10 October 2023, the Company subscribed to 51% of the ordinary share capital and 100% of the preference share capital of Headers and Volleys Entertainment Limited. Total consideration for the subscription was £3 million.

Post year end the Group was affected by the Hollywood strikes by the Writers Guild of America ("WGA") and the Screen Actors Guild/American Federation of Television and Radio Artists ("SAG/AFTRA"). This led to the majority of TV and Film production in the USA being paused during the strikes. The degree of the impact to the Group is not yet known.

In November 2023 the Group has received written agreement for an extension to the repayment date of the intercompany loan disclosed in note 20 and as such the loan is now due for repayment in November 2025. The Group has also obtained an additional £10 million facility from United Talent Agency, LLC in December 2023 repayable in December 2025.

32 Related party transactions

As permitted by FRS 102 Section 33 "Related party disclosures" the financial statements do not disclose transactions with the parent company and fellow subsidiaries where 100% of the voting rights are wholly controlled by the group.

Key management personnel include all directors who together have authority and responsibility for planning, directing and controlling the activities of the group. The total compensation paid to key management personnel has been disclosed in note 5.

33 Controlling party

The ultimate parent company is United Talent Agency, LLC. They are the largest group consolidating the results of the Company and their registered office is 9336 Civic Center Drive, Beverly Hills, CA 90210, United States.