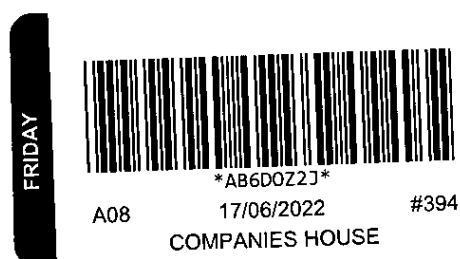


Company Registration No. 08119369 (England and Wales)

**MARTINHOE HOLDINGS LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**



# MARTINHOE HOLDINGS LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	R Allen-Turner R Aslett J Mowll G Perkins J Thoday J Taylor L Kennedy
<b>Company registration number</b>	08119369
<b>Registered office</b>	4a Exmoor Street London W10 6BD
<b>Independent Auditor</b>	Deloitte LLP Statutory Auditor London, United Kingdom EC4A 3HQ
<b>Bankers</b>	The Royal Bank of Scotland Plc 62/63 Threadneedle Street PO Box 412 London, United Kingdom EC2R 8LA

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# MARTINHOE HOLDINGS LIMITED

## CONTENTS

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	<b>Pages</b>
Strategic report	1 - 5
Directors' report	6 - 8
Independent auditor's report	9 - 11
Consolidated statement of comprehensive income	12
Consolidated balance sheet	13 - 14
Company balance sheet	15
Consolidated statement of changes in equity	16
Company statement of changes in equity	17
Consolidated statement of cash flows	18
Notes to the financial statements	19 - 42

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# MARTINHOE HOLDINGS LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 30 JUNE 2021

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The directors present the strategic report and audited financial statements for the year ended 30 June 2021.

#### **Review of the business**

The Martinhoe group (comprised of Martinhoe Holdings Limited and subsidiaries) principally conducts business operations within the United Kingdom and the United States. In the UK the principal business is that of managing comedians, writers, presenters and actors. In the US, the group manages comedians, writers, presenters and actors, and develops and produces television and film projects.

The Martinhoe group has continued the successful strategy of developing and maximising strong brands, achieved by working with some of the best creative talent in the entertainment business; nurturing and developing new ideas and properties both on-screen and on-stage. The consolidated group achieved revenue of £165,957,917 (2020: £113,722,107), and delivered an operating profit of £2,597,938 (2020: £676,973). The increase in operating profit in 2021 reflects the delays experienced in 2020 due to covid-19 into 2021.

On 15th October 2020 the group acquired a 60% shareholding in The Agency, who manage and represent writers and directors across film, tv and theatre. The acquisition was made to further promote collaboration between Avalon and The Agency. See note 23 for further information.

The group has a net asset position of £7,636,023 (2020: £5,295,856).

We are proud to continue working with the talent that we do, and extremely grateful to them and to all of our staff for their hard work.

#### **Principal risks and uncertainties**

The principal risk faced by the group is competition from rival talent management companies, retention and development of key talent and staff.

#### Foreign exchange transactional currency exposure

The group is exposed to currency exchange risk due to a proportion of its receivables and payables being denominated in non-sterling currencies. This exposure is managed in a majority of occasions as payments made out of the group relating to client payments are generally made in the currency received by the group for the related fee income. Balances of US dollars and Euros are maintained generally, reducing further the risk to the group.

The key risk to the group is the translation of the US subsidiary from USD to GBP, however cash flows between the UK and the US are managed to take advantage of preferable exchange rates where possible.

#### Credit risk

A large percentage of the group's activity is conducted with established broadcasters and production companies in the UK and US, therefore the group does not have significant exposure to credit defaults.

#### Liquidity risk

Through Avalon Management Group Limited, one of the group's subsidiaries, the group has access to an overdraft facility, primarily for working capital purposes. The directors consider that the risks associated with this facility are low considering the current and projected performance of the group.

#### Brexit

The Directors have considered the risks posed as a result of Brexit. The group rarely trades in the EU, and the magnitude of the resulting revenues and profits is not material. As such the Directors have concluded that the potential impact of those risks on the group is low, and to date the impact of Brexit has been minimal.

# MARTINHOE HOLDINGS LIMITED

## STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 30 JUNE 2021**

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### **Key performance indicators**

The group's performance is managed by revenue and division. Refer to note 3 for further information.

Key brands are constantly monitored and reviewed by tracking of financial performance, particularly revenues and gross margins and on a brand and revenue source basis.

In the current year there has been an increase in turnover to £165.9m (2020: £113.7m), an increase of 46%, due to the impacts of Covid-19 moving revenue streams from 2020 into the current financial year to subsequent financial years. There has been a decrease in gross margin to 11.3% (2020: 11.6%) due to an increase in management income which attracts a lower margin than the groups other activities as well as the acquisition of the agency.

### **Section 172 Statement**

The board of directors who have served during the year and up to the date of signing these financial statements are listed on the company information page. The Directors are aware of their duty under section 172(1) of the Companies Act 2006.

The directors consider that during the year ended 30 June 2021, that they have individually and collectively acted in a way which they consider, in good faith, would most likely promote the long-term success of the group and benefit its stakeholders.

This assessment was made with reference to the following criteria:

#### **The long-term consequences of decisions made**

The directors have continued to build on long-term sustained growth by nurturing and developing strong brands, achieved by working with some of the best creative talent in the entertainment business. This strategy requires directors to sign new brands with growth potential and also look at opportunities for existing brands to expand their career opportunities, moving from live performance to TV programming.

The board are aware that in order to maximise growth of brands, investment should be made in the beginning in order to establish the talent in the entertainment field, with the group marketing acts in highly regarded festivals such as the Edinburgh Fringe. This strategy has historically resulted in long-term improvements in the group's performance, with many brands being having successful tours and TV contracts as a result of their success at the Edinburgh Fringe. The directors feel confident that the financial risks thereof are managed appropriately.

The board regularly look at long-term growth of the group and how this can be achieved through acquisitions that support the business ambitions and goals as well as diversifying the brand base.

#### **The company's employees**

The board provide regular training programmes to employees such as management training in the interest of developing employee skills and cohesion amongst departments and unconscious bias in the workplace training. As well as internal training programmes the directors provide financial support for employees to undertake professional qualifications and gain professional accreditation.

The board aim for internal promotion where possible which is evidenced through a long history of development of junior staff to senior management and long service. This ensures directors gain insight into all operation levels of the business through these long-standing relationships.

The board are always looking to encourage engagement and conduct regular all-staff engagement survey on key topics. Off the back of feedback from survey's, town hall meetings have been implemented which enable directors to ensure staff are informed of new projects, growth and goals, as well as to address any issues off the back of survey's conducted. Engagement is further developed through TV screenings and development lunches that ensure employees have a direct channel to the directors.

# MARTINHOE HOLDINGS LIMITED

## STRATEGIC REPORT (CONTINUED)

*FOR THE YEAR ENDED 30 JUNE 2021*

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### Section 172 Statement (continued)

#### **Business relationships with customers and suppliers**

The directors have long-standing relationships with major UK and US broadcasters as well as major film studios that we supply with talent from our vast roster of clients. The board are committed to being able to offer a diverse range of brands, from acting to comedy to presenting, which means we can fulfil the needs of our customers' requirements.

Client relationships are paramount to the business of the group. The directors have close relationships with managed talent and ensure that there is a constant line of communication open between them and the group, ensuring they are fully serviced and developed.

The board have controls in place to ensure suppliers are engaged with what we do as a business and also that we are able to maintain long standing relationships that are mutually beneficial. On choosing suppliers a procurement process is undertaken in which market reviews are analysed, quotes and references obtained. Directors agree terms with suppliers up front which includes payment terms, signing of NDA and a relevant service contract. These supplier relationships are then maintained by making introductions to employees who they will engage with, conducting regular review meetings and endeavouring to meet at regular intervals. The board give regular feedback to suppliers and listen to corresponding feedback in order to maintain good working relationships.

#### **Our community and the environment**

The board understand the importance of community engagement and have implemented a number of programmes aimed at reaching younger people in the local area, with the aim of engaging them in media career opportunities that often wouldn't be available to them. These programmes include a voluntary reading programme to primary school children and working with a local charity to put on a virtual work week programme with schools in the local area.

The group operates in the heart of West London, which has a diverse heritage of cultures within our local community. The directors have also implemented a diversity and inclusion taskforce working on a number of initiatives as well as introducing sensitivity and unconscious bias training as part of effort to promote culture, respect and inclusion in the workforce. The virtual sessions will encourage a company culture that helps to dissolve many barriers to the media industry that is felt from people within our community from Black, Asian and Minority Ethnic backgrounds, who are widely under-represented.

The directors are committed to minimising environmental impact and actively encourage new initiatives to reduce waste to lead to a more sustainable environment in and out of the workplace. The directors implemented an environmental policy, looking to reduce office plastics by issuing staff members with metal reusable water bottles and removing single use plastic cups. Plastic bottles of water in meeting rooms and kitchens have also been replaced with reusable glass bottles for meeting rooms.

The group is an equal opportunities employer and is committed to eliminating discrimination and encouraging diversity amongst our workforce. Our aim is that our workforce will be truly representative of all sections of society and each employee feels respected and able to give of their best. As such the Board have reviewed recruitment practices and engaged recruitment partners that represent candidates who are underrepresented.

# MARTINHOE HOLDINGS LIMITED

## STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

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### Section 172 Statement (continued)

#### Maintaining high standards of business conduct

The board always intends to operate in a responsible manner, having a good set of policies and procedures that underpin its corporate governance. These include:

**i. Authorised signatories**

The board have a delegated authorised signatory process to ensure that heads of department and management are able to make day to day operational decisions which are communicated back to the board through regular meetings. This not only ensures that delegation is assigned to the stakeholder on smaller operational decisions, but also the process is designed to engage the board with bigger decisions that require board sign off.

**ii. Anti-Bribery Policy**

The Board have a zero-tolerance stance in relation to bribery and corruption and have a clearly defined policy to provide information and guidance to those who work for the group, enabling them to recognise and deal with bribery and corruption issues. The group maintain accurate and transparent financial records and documentation of all gifts and payments given or received. The policy is regularly monitored by the Board, to insure accuracy and effectiveness.

**iii. Whistleblowing**

The board are committed to protect employees who blow the whistle on criminal behaviour or other wrongdoing from victimisation or dismissal. As such the group have a whistleblowing policy in line with The Public Interest Disclosure Act 1998, and actively encourage employees to keep directors or other key personnel informed of their concerns

**iv. Anti-slavery**

The Board have a zero-tolerance approach to modern slavery, human trafficking and all forms of exploitation in any part of the groups business and operation activities or supply chain. The group are consciously committed to implementing controls and systems to ensure that exploitation of any form is not taking place.

**v. Covid-19**

The board are committed to ensuring that the safety of employees is the number one priority in the continued effort to maintain business operations. A strict Covid policy has been rolled out, in which employees were encouraged to work from home in line with government advice. The group has rolled out internal track and trace in line with government guidelines and continuously monitors advice from public health England to ensure the policy is updated concurrently with the latest information.

The directors align its company culture with its values of operating in a diverse and inclusive environment that adheres to good working practices and the highest level of conduct by themselves and their employees.

In considering stakeholders the Board discuss and review their needs during quarterly board meetings along with how current policies and procedures fit with delivering good corporate governance that meets the needs of stakeholders.

The Board aims to treat all external stakeholders fairly and to engage in a collaborative fashion, as they are an integral key to successfully delivering corporate and strategic objectives across the group.

#### Fair dealing between members

All of our shareholders are members of the board and are included in decision makings that impact the group. The board regularly meet to discuss performance metrics and financials are communicated to shareholders through Annual General Meetings.

The Board are committed to the vision and strategy of the group while looking to maximise shareholder value, and as such receive and review the following in order to make informed decisions:

- Brand analysis and financial performance figures against budget
- Growth trajectories alongside historical performance
- Legal reviews of business matters
- Operations update including health, safety and compliance information
- Investment and acquisition plans

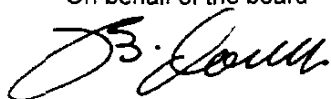
# MARTINHOE HOLDINGS LIMITED

## STRATEGIC REPORT (CONTINUED)

*FOR THE YEAR ENDED 30 JUNE 2021*

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On behalf of the board



J Mowll  
Director



# MARTINHOE HOLDINGS LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 30 JUNE 2021

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The directors present their annual report and audited financial statements for the year ended 30 June 2021.

#### Results and dividends

The results for the year are set out on page 12.

An Ordinary Dividend of £3 million was declared and paid to A Shareholders in October 2021. No dividends were declared in FY 2021 (2020: NIL). The directors do not recommend payment of a further dividend.

#### Financial risk management

The financial risks faced by the group are outlined in the Strategic Report.

#### Branches

The group operate, via one of its subsidiaries, in the USA with offices based in Los Angeles and New York.

#### Directors

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

R Allen-Turner  
R Aslett  
J Mowll  
G Perkins  
J Thoday  
J Taylor  
L Kennedy

#### Engagement with suppliers, customers and other stakeholders

The directors acknowledge their responsibilities and duties in consideration of shareholders and stakeholders in decision making. Details of how the Board complied with Section 172 are set out on page 2 to 5 in the Strategic Report.

#### Future developments

The directors have made a thorough assessment of potential risks and opportunities, including the impact of Covid-19 on the media and entertainment sector as well as the wider global economy, and have concluded that they are not aware of any trends or factors which are likely to have a significant impact on the future development, performance and position of the company's business.

The directors continue to focus on increasing the number and value of US TV productions, whilst maintaining an extensive roster of managed talent both in the UK and US, which was bolstered by the acquisition of The Agency in October 2020.

#### Carbon reporting

The group are exempt from carbon reporting requirements due to none of the subsidiaries meeting the criteria of a large company.

# MARTINHOE HOLDINGS LIMITED

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2021

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#### Auditor

Each of the persons who is a Director at the date of approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The auditor, Deloitte LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

#### Directors' responsibilities statement

The directors are responsible for preparing the Annual 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 Company will continue in business.

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

#### Post reporting date events

There have been no significant events affecting the company since the year-end.

#### Going concern

The directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements. Further details regarding the adoption of the going concern basis can be found in note 1 of the financial statements.

# MARTINHOE HOLDINGS LIMITED

## DIRECTORS' REPORT (CONTINUED)

*FOR THE YEAR ENDED 30 JUNE 2021*

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On behalf of the board



J Mowl

**Director**

31 March 2022

# MARTINHOE HOLDINGS LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF MARTINHOE HOLDINGS LIMITED

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#### Independent auditor's report to the members of Martinhoe Holdings Limited

#### Report on the audit of the financial statements

##### Opinion

In our opinion the financial statements of Martinhoe Holdings Limited (the 'parent company') and its subsidiaries (the 'group'):

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2021 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated statement of comprehensive income;
- the consolidated and parent company balance sheets;
- the consolidated and parent company statements of changes in equity;
- the consolidated cash flow statement; and
- the related notes 1 to 28.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

##### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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 and 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.

# MARTINHOE HOLDINGS LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF MARTINHOE HOLDINGS LIMITED

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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.

#### **Responsibilities of directors**

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

In preparing the financial statements, the directors are responsible for assessing the 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 FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the group's industry and its control environment, and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act, UK Taxation Act, GDPR and the Bribery Act; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address it are described below:

- We identified a fraud risk in relation to revenue recognition, specifically around inappropriate cut-off. To address this risk, we have performed design and implementation over the process and controls around revenue cut-off, testing of journals impacting revenue cut-off and performed detailed testing over the revenue balance and through this ensured that revenue for each sample item had been appropriately recorded in the correct financial year.

# MARTINHOE HOLDINGS LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF MARTINHOE HOLDINGS LIMITED

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In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

### Report on other legal and regulatory requirements

#### Opinions on other matters prescribed by the Companies Act 2006

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

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

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

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

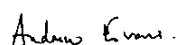
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.

We have nothing to report in respect of these matters.

#### Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Andrew Evans FCA (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
London, United Kingdom  
31st March 2022

# MARTINHOE HOLDINGS LIMITED

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 £	2020 £
Turnover	3	165,957,917	113,722,107
Cost of sales		(147,260,636)	(100,547,099)
<b>Gross profit</b>		<b>18,697,281</b>	<b>13,175,008</b>
Administrative expenses		(16,121,112)	(12,518,350)
Other operating income	8	21,769	20,315
<b>Operating profit</b>	4	<b>2,597,938</b>	<b>676,973</b>
Interest receivable and similar income	9	957	2,889
Interest payable and similar expenses	10	(122,445)	(36,238)
<b>Profit before taxation</b>		<b>2,476,450</b>	<b>643,624</b>
Tax on profit	11	(779,012)	(349,451)
<b>Profit for the financial year</b>		<b>1,697,438</b>	<b>294,173</b>
<b>Other comprehensive income</b>			
Currency translation differences		(30,963)	15,716
<b>Total comprehensive income for the year</b>		<b>1,666,475</b>	<b>309,889</b>
Profit for the financial year is attributable to:			
- Owners of the parent company		1,587,104	309,889
- Non-controlling interests		79,371	-
		<b>1,666,475</b>	<b>309,889</b>

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

# MARTINHOE HOLDINGS LIMITED

## CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Goodwill	12	2,527,718		308,432	
Other intangible assets	12	3,300,815		-	
Total intangible assets		5,828,533		308,432	
Tangible assets	13	559,099		547,086	
		6,387,632		855,518	
<b>Current assets</b>					
Debtors	17	14,985,026		10,810,098	
Cash at bank and in hand		27,293,009		23,461,529	
		42,278,035		34,271,627	
<b>Creditors: amounts falling due within one year</b>	18	(39,385,123)		(29,831,289)	
<b>Net current assets</b>		2,892,912		4,440,338	
<b>Total assets less current liabilities</b>		9,280,544		5,295,856	
<b>Creditors: amounts falling due after more than one year</b>	19	(1,017,366)		-	
<b>Deferred taxation liability</b>	20	(627,155)		-	
<b>Net assets</b>		7,636,023		5,295,856	
<b>Capital and reserves</b>					
Called up share capital	22	10,090		10,090	
Share premium account		5,663,808		5,663,808	
Merger reserve	22	(4,309,194)		(4,309,194)	
Exchange difference reserve	22	24,487		55,450	
Profit and loss account		6,246,832		3,875,702	
		7,636,023		5,295,856	
<b>Equity attributable to owners of the parent company</b>		6,882,960		5,295,856	
<b>Non-controlling interests</b>	24	753,063		-	
		7,636,023		5,295,856	



# MARTINHOE HOLDINGS LIMITED

## CONSOLIDATED BALANCE SHEET (CONTINUED)

**AS AT 30 JUNE 2021**

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The notes on pages 19 to 42 are an integral part of these financial statements.

The financial statements of Martinhoe Holdings Limited (08119369) were approved by the board of directors and authorised for issue by the board of directors on 31st March 2022 and are signed on its behalf by



J Mowll  
Director

# MARTINHOE HOLDINGS LIMITED

## COMPANY BALANCE SHEET

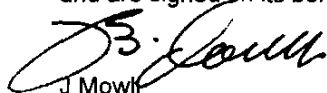
AS AT 30 JUNE 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Investments	14		6,894,814		6,894,814
<b>Current assets</b>					
Debtors	17	5,530,204		4,513,903	
Cash at bank and in hand		-		6,527,270	
		5,530,204		11,041,173	
<b>Creditors: amounts falling due within one year</b>	18	(6,838,503)		(12,176,826)	
<b>Net current liabilities</b>			(1,308,299)		(1,135,653)
<b>Total assets less current liabilities</b>			5,586,515		5,759,161
<b>Capital and reserves</b>					
Called up share capital	22		10,090		10,090
Share premium account			5,663,808		5,663,808
Profit and loss account			(87,383)		85,263
<b>Total equity</b>			5,586,515		5,759,161

The notes on pages 19 to 42 are an integral part of these financial statements.

The Company has elected to take exemption under section 408 of the Companies Act 2006 not to present the company profit and loss account. The loss for the Company for the year was £172,646 (2020: £74,749)

The financial statements were approved by the board of directors and authorised for issue on 31 March 2022 and are signed on its behalf by:

  
J Mowll  
Director

Company Registration No. 08119369

# MARTINHOE HOLDINGS LIMITED

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

	Notes	Called up share capital £	Share premium account £	Exchange difference reserve £	Merger reserve £	Profit and loss account £	Non- controlling interest £	Total £
<b>Balance at 1 July 2019</b>		10,012	5,660,636	39,734	(4,309,194)	3,704,147	-	5,105,339
<b>Year ended 30 June 2020:</b>								
Profit for the year		-	-	-	-	294,173	-	294,173
Issue of share capital	22	78	3,172	-	-	-	-	3,250
Share buyback		-	-	-	-	(122,618)	-	(122,618)
Other comprehensive income movement in the year		-	-	15,716	-	-	-	15,716
<b>Balance at 30 June 2020</b>		10,090	5,663,808	55,450	(4,309,194)	3,875,702	-	5,295,856
<b>Year ended 30 June 2021:</b>								
Profit for the year		-	-	-	-	1,618,067	79,371	1,697,438
Dividends		-	-	-	-	-	(1,199,793)	(1,199,793)
Other comprehensive income movement in the year		-	-	(30,963)	-	-	-	(30,963)
Acquisition of non-controlling interests		-	-	-	-	-	1,873,485	1,873,485
<b>Balance at 30 June 2021</b>	22	10,090	5,663,808	24,487	(4,309,194)	5,493,769	753,063	7,636,023

# MARTINHOE HOLDINGS LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2021

	Notes	Called up share capital £	Share premium account (Page 13) £	Profit and loss account £	Total £
<b>Balance at 1 July 2019</b>		10,012	5,660,636	225,590	5,896,238
<b>Year ended 30 June 2020:</b>					
Loss for the year		-	-	(74,749)	(74,749)
Issue of share capital	22	78	3,172	-	3,250
Share Buy Back		-	-	(65,578)	(65,578)
<b>Balance at 30 June 2020</b>		10,090	5,663,808	85,263	5,759,161
<b>Year ended 30 June 2021:</b>					
Loss and total comprehensive expense for the year		-	-	(172,646)	(172,646)
<b>Balance at 30 June 2021</b>	22	10,090	5,663,808	(87,383)	5,586,515

# MARTINHOE HOLDINGS LIMITED

## CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 £	£	2020 £	£
<b>Net cash from operating activities</b>					
Cash generated from group operations	28	7,625,942		5,130,173	
Taxation paid		(574,008)		(578,134)	
<b>Net cash inflow from operating activities</b>		7,051,934		4,552,039	
<b>Investing activities</b>					
Acquisition paid net of cash acquired		(1,514,575)		-	
Purchase of tangible fixed assets		(348,196)		(347,153)	
Share buyback		-		(122,618)	
Interest received		957		2,889	
<b>Net cash used in investing activities</b>		(1,861,814)		(466,882)	
<b>Financing activities</b>					
Issue of shares		-		3,250	
Interest paid		(122,445)		(36,238)	
Bank loan		-		4,988,516	
Dividends paid to equity shareholders		(1,199,793)		-	
<b>Net cash (used in)/generated from financing activities</b>		(1,322,238)		4,955,528	
<b>Net increase in cash and cash equivalents</b>		3,867,882		9,040,685	
<b>Cash and cash equivalents at beginning of year</b>		23,461,526		14,405,336	
Effect of foreign exchange rates		(36,399)		15,508	
<b>Cash and cash equivalents at end of year</b>		27,293,009		23,461,529	

# MARTINHOE HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

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### 1 Accounting policies

#### General information

- 1.1 Martinhoe Holdings Limited ("the company") and its subsidiaries (together "the group") are principally engaged in the management of comedians, writers, presenters and actors. In the US the group manages comedians, writers, presenters and actors and develops and produces television and film projects. The company is a private company limited by shares incorporated and registered in England and Wales under the Companies Act 2006. The registered office is 4a Exmoor Street, London, W10 6BD.

The group consists of Martinhoe Holdings Limited and all of its subsidiaries.

#### 1.2 Statement of compliance

These group and individual statements of Martinhoe Holdings Limited have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") and the Companies Act 2006.

#### 1.3 Summary of significant accounting policies

##### (a) Basis of preparation

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

The group has applied the amendments to FRS 102 issued by the FRC in December 2017 with effect from 1 June 2019. The transitional provisions relating to the triennial review amendments have not resulted in any restatements of comparative information by the group.

##### (b) Basis of consolidation

The group consolidated financial statements include the financial statements of the company and all of its subsidiary undertakings made up to 30 June 2021.

Any subsidiary undertakings sold or acquired during the year are included up to, or from, the dates of change of control. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Where the group owns less than 50% of the voting powers of an entity but controls the entity by virtue of an agreement with other investors which give it control of the financial and operating policies of the entity, it accounts for that entity as a subsidiary. Where a subsidiary has different accounting policies to the group, adjustments are made to those subsidiary financial statements to apply the group's accounting policies when preparing the consolidated financial statements. Martinhoe Holdings Limited has control over both The Agency (London) Limited and Lemon Unna & Durbridge Limited and so both companies are subsidiaries and have been consolidated into the Group results accordingly.

Non-controlling interests in the net assets of consolidated subsidiaries, which consist of the amounts of those interests at the date of the original acquisition and the non-controlling interests' share of changes in equity since the date of the combination are disclosed separately.

# MARTINHOE HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

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### 1 Accounting policies

(Continued)

#### 1.3 Summary of significant accounting policies (continued)

##### (c) Exemptions for qualifying entities under FRS102

Martinhoe Holdings Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect to the financial statements. The Company has taken advantage of the following exemptions:

- from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, include the company's cash flows; and
- from the financial instrument disclosures, required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29 as the information is provided in the consolidated financial statement disclosures.

##### (d) Going concern

The group's business activities, together with the factors likely to affect its future development and performance are set out in the Strategic Report. The group continues to be profitable as shown in the consolidated profit and loss account for the year ended 30 June 2021, and the group's forecast and projections indicate the group will continue to be profitable and cashflow positive throughout the current financial year and beyond.

In reaching their decision to prepare the financial statements on a going concern basis, the directors considered the impact of the current economic climate on both the company and the group of which it is a member, as well as the following areas:

- In general the group is cash positive, cash generative, profitable and has net current assets.
- The group derives most of its revenues from its talent management business. This does not have a negative effect on cash flow as all payments to clients are only made after funds have been received from the customers. The television production business requires some prefunding of productions but the group have significant cash reserves available (£27m as at 30 June 2021) to ensure funding for the foreseeable future.
- In December 2021 the group secured a production financing facility totalling \$7,384,879 that can be used to fund the working capital needs of the business.
- The group has a number of TV productions on it's slate that are already contracted beyond the 12 month assessment window.
- The group is closely linked to the Tiverton 2 Holdings Limited group with shared directors and shared ultimate control. Where necessary cash can be moved between the groups to maintain necessary levels of working capital within each.
- The brand names represented in the Group are all considered strong within the industry, representing both leading talent and producing successful television productions.
- The group also maintains the ability to reduce both its payroll and property costs in line with any fluctuations in business. Staffing levels are dependent and linked to ongoing productions. Bonuses payments are in the most part discretionary, whilst contractual bonus payments are directly linked to profitability and hence are reduced in times of reduced profitability. The UK property is managed on a modular basis allowing reductions in floor space and costs if necessary.
- The group is currently in a net current asset position of £2,892,912 (2020: £4,440,338). The company is currently in a net liability position of £1,308,229 (£1,135,653)

# MARTINHOE HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

### 1 Accounting policies

(Continued)

#### 1.3 Summary of significant accounting policies (continued)

##### (d) Going concern (continued)

In addition to these factors, specific consideration has been made with respect to the potential continuing impact of Covid-19, and how future restrictions might impact the economy, but also the ability of the group to trade and hence derive profits and cash.

In order to do this, sensitivity analyses were performed to understand the impact on the group's cashflow that would arise as a result of a 'reasonable worst case' scenario and a 'worst case' scenario. Under the reasonable worst case scenario, the group continued to be cashflow positive without any need for mitigating actions. Under the worst case scenario, minor mitigating actions that are easily within the Boards control were required in the outer months of the assessment period. Ultimately, the output of this analysis demonstrated that under both scenarios the group continued as a going concern, and there is no material uncertainty about the group's ability to trade and meets its liabilities as they fall due for the next 12 months.

Having given due consideration to the anticipated future performance of the company, taking into account the sensitivity analysis outlined above, the directors have been able to form a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

##### (e) Turnover

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for services rendered net of value added taxes. Revenue is recognised to the extent it is probable that the economic benefits will flow to the group and the revenue can be reliably measured.

Profit is recognised on long-term contracts, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss turnover and related costs as contract activity progresses. Turnover is calculated by reference to the value of the work performed to date as a proportion of the total contract value.

Turnover and costs are recognised by the different divisions as follows:

Turnover and related costs on television productions are recognised as production activity progresses to reflect the proportion of work carried out during the year. Profit is recognised once the total outcome can be assessed with reasonable certainty.

Talent management turnover and related fees are recognised when the fees are due and work completed.

##### (f) Interest

Interest receivable and payable are recognised in the profit and loss account using the effective interest method.

#### 1.4 Goodwill

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight-line basis over its useful economic life, which is considered to be 10 years. Provision is made for any impairment.

#### 1.5 Intangible fixed assets other than goodwill

Amortisation is recognised so as to write off the cost of the asset over their useful life.

Loan arrangement fees	Straight-line over 4 years
Brand	Straight-line over 10 years
Client intangibles	Straight-line over 10 years



# MARTINHOE HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

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### 1 Accounting policies

(Continued)

#### 1.6 Tangible fixed assets and depreciation

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. Cost includes the original purchase price and costs directly attributable to bringing the asset to its working condition for its intended use.

Depreciation is provided on all tangible fixed assets, other than investment properties and freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset over its expected useful life, as follows:

Improvements to property	Straight-line over 4 years
Fixtures, fittings & equipment	Straight-line over 4 years
Computer equipment	Straight-line over 4 years
Motor vehicles	Straight-line over 4 years

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.

Residual value is calculated on prices prevailing at the date of acquisition or revaluation.

#### 1.7 Fixed asset investments

Except as stated below, fixed asset investments are shown at cost less provision for impairment. Current asset investments are stated at the lower of cost and net realisable value.

In the company balance sheet, for investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value only of the shares issued. Any premium is ignored.

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.

#### 1.8 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.

# MARTINHOE HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

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### 1 Accounting policies

(Continued)

#### 1.9 Financial instruments

The group has elected to apply the provisions of Section 11 and Section 12 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.

##### **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.

##### **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 receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

#### 1.10 Equity instruments

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

# MARTINHOE HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

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### 1 Accounting policies

(Continued)

#### 1.11 Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

##### (i) Current tax

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

##### (ii) Deferred tax

Deferred tax 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 group'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.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

Deferred tax is recognised in respect of the retained earnings of overseas subsidiaries and associates only to the extent that, at the balance sheet date, dividends have been accrued as receivable or a binding agreement to distribute past earnings in future has been entered into by the subsidiary or associate.

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

#### 1.12 Retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to defined contribution retirement benefit schemes are charged to the profit and loss in the period to which they relate.

Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet. The assets of the plan are held separately from the group in independently administered funds.

# MARTINHOE HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

### 1 Accounting policies

(Continued)

#### 1.13 Leases

Assets held under finance leases and other similar contracts, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant rate of charge on the balance of capital repayments outstanding. Hire purchase transactions are dealt with similarly, except that assets are depreciated over their useful lives.

Rentals payable under operating leases, including any lease incentives received, are charged to income 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 lease asset are consumed.

#### 1.14 Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

Government grants in respect of the Coronavirus Job Retention Scheme (CJRS) are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating to revenue. Grants relating to revenue are recognised in income over the period in which the related costs are recognised.

#### 1.15 Foreign currency

##### **Functional and presentation currency**

The group financial statements are presented in pounds sterling. The company's functional and presentation currency is the pounds sterling.

##### **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

##### **Foreign exchange**

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

#### 1.16 Related party transactions

The group discloses transactions with related parties which are not wholly-owned within the same group. Related Party transactions were made on terms equivalent to those that prevail in arm's length transactions.

# MARTINHOE HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

### 1 Accounting policies

(Continued)

#### 1.17 Finance costs

Finance costs of financial liabilities are recognised in the profit and loss account over the term of such instruments at a constant rate on the carrying amount.

Finance costs which are directly attributable to the construction of tangible fixed assets are capitalised as part of the cost of those assets. The commencement of capitalisation begins when both finance costs and expenditures for the asset are being incurred and activities that are necessary to get the asset ready for use are in progress. Capitalisation ceases when substantially all the activities that are necessary to get the asset ready for use are complete.

### 2 Critical accounting 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.

During the year, The Group acquired a majority share in The Agency (London) Limited. Upon acquisition of a business, FRS 102 requires that fair values are attributed to the identifiable assets, liabilities and contingent liabilities of the acquired entity unless the fair value cannot be measured reliably, in which case the value is incorporated in goodwill. The valuation of acquired intangibles is inherently judgemental and subject to the use of estimates. See note 23 for further information.

No other material judgements or estimations have been used in the preparation of the group or company financial statements.

### 3 Turnover and other revenue

Turnover analysed by category:

	2021 £	2020 £
<b>Turnover</b>		
Television production	73,748,622	51,305,266
Talent management	92,209,295	62,416,841
	<u>165,957,917</u>	<u>113,722,107</u>
 <b>Other income</b>		
Government grants received	<u>21,769</u>	<u>20,315</u>

# MARTINHOE HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

### 3 Turnover and other revenue

(Continued)

Turnover analysed by geographical market:

	2021 £	2020 £
United Kingdom	72,678,471	28,520,139
United States	93,279,446	85,201,968
	<u>165,957,917</u>	<u>113,722,107</u>

### 4 Operating profit

	2021 £	2020 £
Operating profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	81,904	(68,755)
Government grants	(21,769)	(20,315)
Depreciation of tangible fixed assets	330,504	253,120
Profit on disposal of tangible fixed assets	-	(13,066)
Amortisation of intangible assets	519,275	94,250
Operating lease charges	350,045	355,080
	<u></u>	<u></u>

### 5 Auditor's remuneration

	2021 £	2020 £
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	63,500	50,000
Audit of the financial statements of related parties	63,500	50,000
	<u></u>	<u></u>
<b>For other services</b>		
Taxation compliance services	13,000	13,000
Taxation advisory services	27,000	41,850
Taxation services for related parties	34,700	73,430
	<u>74,700</u>	<u>128,280</u>

Fees in related parties relate to services provided to the Tiverton 2 Limited Group, who share the same ultimate shareholders as Martinhoe Holdings Limited (see note 25).

# MARTINHOE HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

### 6 Employees

The average monthly number of persons employed by the group during the year was:

	2021 Number	2020 Number
Directors	10	10
Administration	46	31
Artist Management and promotion	58	45
	<u>114</u>	<u>86</u>

Their aggregate remuneration comprised:

	2021 £	2020 £
Wages and salaries	14,293,497	10,993,586
Social security costs	1,340,070	1,079,538
Pension costs	146,287	102,739
	<u>15,779,854</u>	<u>12,175,863</u>

The parent company had no employees or remuneration expense during the year.

### 7 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	4,325,087	3,545,087
Company pension contributions to defined contribution schemes	34,397	24,581
	<u>4,359,484</u>	<u>3,569,668</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 4 (2020:3).

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

Remuneration for qualifying services	897,334	654,600
Company pension contributions to defined contribution schemes	11,074	-
	<u>908,408</u>	<u>654,600</u>

# MARTINHOE HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

### 7 Directors' remuneration

(Continued)

#### Compensation to key management

Compensation to key management (key decision makers who are not directors of the group) not disclosed within directors remuneration is as follows:

	2021 £	2020 £
Remuneration for qualifying services	2,175,698	2,321,500
Company pension contributions to defined contribution schemes	15,605	16,162
	<u>2,191,303</u>	<u>2,337,662</u>

### 8 Government grants

The group claimed government assistance in the year through the Coronavirus Job Retention Scheme to the value of £21,769 (2020: £20,315).

### 9 Interest receivable and similar income

	2021 £	2020 £
<b>Interest income</b>		
Interest on bank deposits	957	2,889
	<u>957</u>	<u>2,889</u>

### 10 Interest payable and similar expenses

	2021 £	2020 £
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	122,445	36,238
	<u>122,445</u>	<u>36,238</u>



# MARTINHOE HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

### 11 Taxation

(a) Tax expense included in the profit and loss

	2021 £	2020 £
<b>Current tax</b>		
UK corporation tax on profits for the current year	644,901	171,998
Adjustments in respect of prior years	(6,038)	62,280
Total UK current tax	638,863	234,278
Foreign current tax on profits for the current year	138,219	112,044
Total current tax	777,082	346,322
<b>Deferred tax</b>		
Origination and reversal of timing differences	1,930	3,129
Tax on profit on ordinary activities	779,012	349,451

(b) Reconciliation of tax charge

Tax assessed for the period is higher than the standard rate of corporation tax in the UK for the year ended 30 June 2021 of 19% (2020: 19%). The differences are explained below:

	2021 £	2020 £
Profit on ordinary activities before taxation	2,476,450	643,624
Expected tax charge based on the standard rate of corporation tax of 19% (2020: 19%)	470,526	122,289
Tax effect of expenses that are not deductible in determining taxable profit	27,454	58,676
Tax effect of income not taxable in determining taxable profit	2,850	-
Adjustments in respect of prior years	(6,038)	62,280
Depreciation on assets not qualifying for tax allowances	41,559	39,670
Adjustments in respect of financial assets	-	(2,475)
Other non-reversing timing differences	(6,683)	-
Capital allowances	(34,822)	(55,536)
Other tax adjustments (including foreign tax)	282,236	132,917
Origination and reversal of timing differences	1,930	(8,370)
Tax charge for the year	779,012	349,451

(c) Tax rate changes. The standard rate of corporation tax in the UK will change from 19% to 25% with effect from 1 April 2023.

# MARTINHOE HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

### 12 Intangible fixed assets

Group	Goodwill £	Other Intangibles £	Total £
<b>Cost</b>			
At 1 July 2020	903,540	-	903,540
Additions	2,486,930	3,552,446	6,039,376
At 30 June 2021	3,390,470	3,552,446	6,942,916
<b>Amortisation and impairment</b>			
At 1 July 2020	595,108	-	595,108
Amortisation charged for the year	267,644	251,631	519,275
At 30 June 2021	862,752	251,631	1,114,383
<b>Carrying amount</b>			
At 30 June 2021	2,527,718	3,300,815	5,828,533
At 30 June 2020	308,432	-	308,432

### 13 Tangible fixed assets

Group	Improvements to property £	Fixtures, fittings & equipment £	Computer equipment £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 July 2020	225,224	828,360	801,814	277,094	2,132,492
Additions	78,297	36,753	233,147	-	348,197
Exchange adjustments	-	(10,914)	(10,854)	-	(21,768)
At 30 June 2021	303,521	854,199	1,024,107	277,094	2,458,921
<b>Depreciation and impairment</b>					
At 1 July 2020	225,224	537,173	644,440	178,569	1,585,406
Depreciation charged in the year	54,807	55,671	161,958	58,068	330,504
Exchange adjustments	-	(9,972)	(6,116)	-	(16,088)
At 30 June 2021	280,031	582,872	800,282	236,637	1,899,822
<b>Carrying amount</b>					
At 30 June 2021	23,490	271,327	223,825	40,457	559,099
At 30 June 2020	-	291,187	157,374	98,525	547,086

# MARTINHOE HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

### 14 Fixed asset investments

	Note	Group 2021 £	2020 £	Company 2021 £	2020 £
Investments in subsidiaries	15	-	-	6,894,814	6,894,814

In the opinion of the directors, the aggregate value of the Company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

### 15 Subsidiaries

Details of the company's subsidiaries at 30 June 2021 are as follows:

Name of undertaking and country of incorporation or residency		Nature of Business	Class of shareholding	% Held
Avalon Management Group Limited (02242641) †	UK	Talent Management	Ordinary Shares	100.00
Malsmead Holdings Limited (08307810) †	UK	Intermediate Holding Company	Ordinary Shares	100.00
Billy Marsh Holdings Limited (02172103) †	UK	Intermediate Holding Company	Ordinary Shares	100.00
Billy Marsh Associates Limited (02168257) * †	UK	Talent Management	Ordinary Shares	100.00
Artist Rights Group Limited (04194789) * †	UK	Talent Management	Ordinary Shares	100.00
The Agency (London) Limited (03053806)*	UK	Talent Management	Ordinary Shares	60.00
Lemon Unna & Durnbridge (02332039)*	UK	Intermediate Holding Company	Ordinary Shares	65.00
Avalon US Holdings Inc. *	US	Talent Management and TV production	Ordinary Shares	100.00
Avalon Management Inc. *	US	Talent Management	Ordinary Shares	100.00
Avalon Television Inc. *	US	TV Production	Ordinary Shares	100.00
Novel Productions Inc. *	US	Talent Management	Ordinary Shares	100.00
Avalon Management Group NY LLC *	US	Talent Management	Ordinary Shares	100.00
Bacon Bar Productions LLC *	US	TV Production	Ordinary Shares	100.00
Sketch Productions LLC *	US	TV Production	Ordinary Shares	100.00
50/50 Productions LLC *	US	TV Production	Ordinary Shares	100.00
50/50 Studio Productions LLC *	US	TV Production	Ordinary Shares	100.00
Pointless Studio Productions Inc. *	US	TV Production	Ordinary Shares	100.00
Partially Important Productions LLC *	US	TV Production	Ordinary Shares	100.00
Workaholics LLC	US	Dormant	Ordinary Shares	100.00

\*Indirect holding

† These non-dormant companies have elected to make use of the audit exemption. Under section 479A of the Companies Act 2006, in order to fulfil the conditions set out in the regulations, the Company has given statutory guarantee of all outstanding liabilities to which the subsidiaries are subject at the end of the financial year to 30 June 2021.

# MARTINHOE HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

### 15 Subsidiaries

(Continued)

The registered office of all of the company's UK subsidiaries detailed above, except The Agency (London) Limited and Lemon Unna & Durnbridge, is 4a Exmoor Street, London W10 6BD. The registered office of all of the company's US subsidiaries, detailed above, is 9171 Wilshire Blvd, Suite 320, Beverly Hills, CA 90210, USA. The registered office of The Agency (London) Limited and Lemon Unna & Durnbridge is Summit House, 170 Finchley Road, London, NW3 6BP.

### 16 Financial instruments

	Group 2021 £	2020 £	Company 2021 £	2020 £
<b>Carrying amount of financial assets</b>				
Debt instruments measured at undiscounted cost	12,900,569	8,897,637	5,244,253	4,215,927
Equity instruments measured at cost less impairment	-	-	6,894,814	6,894,814
<b>Carrying amount of financial liabilities</b>				
Measured at undiscounted cost	32,454,334	22,674,916	75,436	5,765,480

Financial assets measured at undiscounted cost comprise of trade debtors, other debtors amounts owed by related parties, and accrued income.

Financial liabilities measured at undiscounted cost comprise of trade creditors, other creditors, accruals and amounts owed to related parties.

### 17 Debtors

	Group 2021 £	2020 £	Company 2021 £	2020 £
<b>Amounts falling due within one year:</b>				
Trade debtors	2,031,534	382,047	-	-
Corporation tax recoverable	905,476	853,257	285,952	297,975
VAT recoverable	939,368	874,864	-	-
Amounts due from fellow group undertakings	-	-	4,987,015	3,560,208
Amounts owed by related parties	564,348	1,982,197	95,251	-
Other debtors	2,668,025	4,791,640	161,986	655,720
Prepayments and accrued income	7,859,843	1,907,732	-	-
	14,968,594	10,791,737	5,530,204	4,513,903
Deferred tax asset (note 20)	16,432	18,361	-	-
	14,985,026	10,810,098	5,530,204	4,513,903

Amounts owed by group undertakings and related parties are unsecured, interest free, have no fixed repayment date and are repayable on demand.

# MARTINHOE HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2021

#### 17 Debtors

(Continued)

Included in other debtors are amounts due from the directors as follows:

	Group 2021	2020	Company 2021	2020
J Taylor	163,018	656,519	161,987	655,720
R Aslett	3,811	4,849	-	-
J Thoday	4,029,181	2,759,686	-	-
R Allen-Turner	401,746	430,825	-	-

These amounts are unsecured, interest free, have no fixed repayment date and are repayable on demand. No interest was charged during the year on these amounts. No amounts due from the directors were written off and no amounts were waived.

The directors repaid £706,715 in the year.

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

	Group 2021 £	2020 £	Company 2021 £	2020 £
Bank loans and overdrafts	6,084,578	4,988,516	6,077,650	4,988,516
Trade creditors	1,135,521	142,813	-	-
Amounts due to group undertakings	-	-	36,147	2,089,425
Amounts due to related parties	8,233,478	9,520,912	-	2,604,250
Corporation tax payable	185,869	-	-	-
Other taxation and social security	1,366,736	1,771,710	685,356	1,422,830
Other creditors	578,730	1,146,578	164	1,028,650
Accrued expenses	21,489,161	11,864,613	39,185	43,155
Deferred Income	311,050	396,147	-	-
	<u>39,385,123</u>	<u>29,831,289</u>	<u>6,838,502</u>	<u>12,176,826</u>

Amounts owed to group undertakings and related parties are unsecured, interest free, have no fixed repayment date and are repayable on demand. There are no amounts disclosed within note 18 that are secured.

At 30 June 2021 the group had a loan drawn down amount of £5m (2020: £5m) with a floating charge over the group's assets and expiration date of June 2024; all conditions precedent had been met.

# MARTINHOE HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2021

#### 19 Creditors: amounts falling due after more than one year

	Note	Group 2021 £	2020 £	Company 2021 £	2020 £
Deferred consideration	23	1,017,366	-	-	-

#### 20 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:

	Liabilities 2021 £	Liabilities 2020 £	Assets 2021 £	Assets 2020 £
Group				
Other timing differences	627,155	-	16,432	18,361

The company has no deferred tax provision at 30 June 2021 (2020: £nil).

	Group £	Company £
<b>Movements in the year:</b>		
Asset 1 July 2020	18,361	-
Credit to profit and loss	(1,929)	-
Deferred Tax liability on acquisition	(627,155)	-
Liability at 30 June 2021	(610,723)	-

#### 21 Retirement benefit schemes

	2021 £	2020 £
<b>Defined contribution schemes</b>		
Charge to profit and loss in respect of defined contribution schemes	146,287	102,739

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. As at 30 June 2021 £nil was payable by the group to the defined contribution pension provider (2020: £nil).

# MARTINHOE HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

### 22 Called up share capital

	Group and company	
	2021	2020
	£	£
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
945,200 A Ordinary shares of 1p each	9,452	9,452
45,000 B Ordinary shares of 1p each	450	450
10,000 D Ordinary shares of 1p each	100	100
10,103 E Ordinary shares of 0.001p each	10	10
78,058 Z Ordinary shares of 0.001p each	78	78
	<u>10,090</u>	<u>10,090</u>

# MARTINHOE HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

### 22 Called up share capital

(Continued)

The rights in relation to the different classes of shares are as follows:

#### Capital

On return of assets on a liquidation or a winding-up, reduction of capital, or otherwise the assets of the company remaining after payment of such of its liabilities as it is necessary to discharge to effect the distribution ("net proceeds") shall be distributed as follows:

- to the holders of the A Shares, in respect of their A Shares then held, the full amount of the net proceeds up to an amount equal to the B threshold value;
- thereafter, the balance of the Net Proceeds, if any, shall be distributed to each of the holders of the A Shares and the B Shares in proportion to the number of A Shares or B Shares held by them respectively up to the amount of the D Threshold Value;
- thereafter, the balance of the Net Proceeds, if any, shall be distributed to each of the holders of the A Shares, the B Shares and the D Shares in proportion to the number of A Shares, B Shares or D Shares held by them respectively up to the amount of the E Threshold Value;
- thereafter, the balance of the Net Proceeds, if any, shall be distributed to each of the holders of the A Shares, the B Shares, the D Shares and the E Shares in proportion to the number of A Shares, B Shares, D Shares or E Shares held by them respectively.

If the Exit Price per Share is greater than the Z Share Starting Price (the amount of such excess being the "Z Share Growth Amount"), there shall be distributed to the Z Shareholder an amount equal to the Z Share Growth Amount per Z Share held and the amount of the Net Proceeds which would otherwise have been distributed to the holders of the A Shares, the B Shares, the D Shares and the E Shares pursuant to above shall be reduced accordingly.

A D Shareholder or E Shareholder shall not be entitled to receive any sale proceeds in respect of any of his D Shares or E Shares which are Unvested Shares.

In the event of a sale, the proceeds of such sale shall be distributed between the selling shareholders in the manner set out above, as if the same constituted a liquidation of the company.

#### Voting in General Meetings

The holders of the A Shares shall be entitled to receive notice of and to attend and vote at the general meetings of the company. Every holder of A Shares who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy, shall have one vote on a show of hands and on a poll every holder of A Shares so present shall have one vote for each A Share held by him.

The holders of the B Shares, D Shares, E Shares and Z Shares shall not be entitled to receive notice of, nor to attend or vote at general meetings of the company.

The A Shares, the B Shares, D Shares, E Shares and Z Shares shall be treated as separate classes of Shares for the purposes of all distributions and accordingly the Company or the Board (as the case may be, as required pursuant to the Companies Act) shall not be under any obligation to make any distribution to one class of Shares if it makes a distribution to another class of Shares, nor shall the Company or the Board be under any obligation to pay the same amount by way of dividend on each class of Shares and any distribution shall be treated as separate classes of Shares.



# MARTINHOE HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

### 22 Called up share capital

(Continued)

#### Income

No dividend shall be payable on any Shares in respect of any financial period of the Company unless there are sufficient profits of the company available for distribution.

The A Shares, B Shares, D Shares, E shares and the Z Shares shall be treated as separate classes of Shares for the purposes of all distributions and, accordingly, the Company or the Board (as the case may be, as required pursuant to the Act) shall not be under any obligations to make any distribution to one class of Shares if it makes a distribution to another class of Shares, nor shall the Company or the Board be under any obligation to pay the same amount by way of dividend on each class of Shares.

Any distribution payable to the holders of the B Shares, D Shares, E Shares or Z Shares shall not be paid in respect of any unvested Shares.

#### Merger reserves

Merger reserves are a direct result of the last group reconstruction of Martinhoe Holdings Limited and Tiverton 2 Holdings Limited in March 2013. The group reconstruction was accounted for using merger accounting principles since the new shareholders of the Company are the same as the former shareholders and the rights of each shareholder, relative to the others, are unchanged.

#### Exchange difference reserve

Exchange difference reserves are the cumulative effect of revaluing the US balance sheet at the year-end exchange rate.

### 23 Acquisitions

On 15 October 2020 the group acquired The Agency (London) Limited and Lemon Unna & Durnbridge.

	Book Value	Adjustments	Fair Value
	£	£	£
Intangible Assets		3,552,446	3,552,446
Tangible Assets	94,537	-	94,537
Investments	30,685	-	30,685
Debtors	877,207	-	877,207
Creditors	(1,814,213)	-	(1,814,213)
Cash and cash equivalents	2,618,015	-	2,618,015
Deferred Tax Liability	-	(674,965)	(674,965)
Total identifiable net assets	1,806,231	2,877,481	4,683,712
Non-controlling interests			1,873,485
Parent company			2,810,227
Consideration paid			5,297,158
Goodwill recognised			2,486,930

# MARTINHOE HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

### 23 Acquisitions

(Continued)

The consideration was satisfied by: £

Cash	4,000,000
Deferred Consideration	1,017,366
Acquisition Costs	279,792
	<u>5,297,158</u>

Contribution by the acquired business for the reporting period included in the group statement of comprehensive income since acquisition: £

Turnover	28,157,000
Profit after tax	<u>500,820</u>

Goodwill represents the future revenue and costs synergies that management anticipate arising due to the acquisition.

### 24 Non controlling interest

On the 15th October 2020 the group acquired a 60% share holding in The Agency (London) Limited and a 65% share holding in Lemon, Unna & Durnbridge.

Movements in the year:

	2021	2020
	£	£
At 15 October 2020	1,873,485	-
Total income attributable to non-controlling interests	79,371	-
Dividends paid to non controlling interest	(1,199,793)	-
	<u>753,063</u>	<u>-</u>
At 30 June 2021		

# MARTINHOE HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

### 25 Operating lease commitments

#### Lessee

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

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Within one year	346,310	367,005	-	-
Between two and five years	672,414	709,443	-	-
In over five years	308	329	-	-
	<u>1,019,032</u>	<u>1,076,777</u>	<u>-</u>	<u>-</u>

# MARTINHOE HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

### 26 Related party transactions

#### Transactions with related parties

During the year, Martinhoe Holdings Limited group companies entered into transactions and arrangements on normal commercial terms with Tiverton 2 Limited which shared the same ultimate shareholders as Martinhoe Holdings Limited.

	Sale of goods		Purchase of goods	
	2021	2020	2021	2020
	£	£	£	£
<b>Group</b>				
Tiverton 2 Limited	21,091,169	21,346,826	4,418,572	4,356,740

#### Company

The company has the following year-end transactions and balances with related parties:

	2021	2020
	£	£
Amounts falling due within one year from related party undertakings:		
Tiverton 2 Limited	95,251	-
	95,251	-
Amounts due to related party undertakings within one year:		
Avalon Television Limited	-	(4,250)
Tiverton 2 Limited	-	(2,600,000)
	-	(2,604,250)

#### Directors' transactions

Dividend payments owed	-	1,028,669
	-	1,028,669

Amounts due from the group's directors are disclosed in Note 18.

Details of key management personnel can be found in Note 7

### 27 Ultimate controlling party

Martinhoe Holdings Limited is the ultimate parent company of the group and the highest level legal entity preparing consolidated financial statements. J Thoday is the ultimate controlling party.

# MARTINHOE HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2021

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### 28 Cash generated from group operations

	2021 £	2020 £
Operating profit	2,597,938	676,973
Adjustments for:		
Gain on disposal of tangible fixed assets	-	(13,066)
Amortisation and impairment of intangible assets	550,042	91,484
Depreciation and impairment of tangible fixed assets	330,504	253,120
Movements in working capital:		
(Increase) / decrease in debtors	(4,124,443)	2,184,126
Increase in creditors	8,271,901	1,937,536
<b>Cash generated from operations</b>	<b>7,625,942</b>	<b>5,130,173</b>