

Company Registration No. 02242641 (England and Wales)

AVALON MANAGEMENT GROUP LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

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AVALON MANAGEMENT GROUP LIMITED

COMPANY INFORMATION

Directors

R Allen-Turner
R Aslett
S Highmore
D Lloyd
J Mowll
G Perkins
J L Taylor
J M Thoday

Company Secretary

R Allen-Turner

Company Registration Number

02242641

Registered office

4a Exmoor Street
London
W10 6BD

Auditor

Deloitte LLP
Chartered Accountants and Statutory Auditor
London
United Kingdom

Banker

The Royal Bank of Scotland Plc
62/63 Threadneedle Street
PO Box 412
London
EC2R 8LA

AVALON MANAGEMENT GROUP LIMITED

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AVALON MANAGEMENT GROUP LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2015

The directors present the strategic report and financial statements for the year ended 30 June 2015.

Review of the business

The Company's principal business is that of managing comedians, writers and presenters.

Avalon Management's success is based on a strategy of developing and maximising the value of great brands. We do this by working with some of the best creative talent in the entertainment business, nurturing and developing new ideas and properties.

The Company has continued to maintain healthy performance in a challenging environment. Having worked in collaboration with other Avalon companies to invest significantly in new TV developments and programming, the performance is expected to improve during the future period and beyond. The Company achieved revenue of £18,430,053 (2014:£12,387,625), and delivered an operating profit of £459,083 (2014:£72,631).

Principal risks

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

The market in which the Company operates continues to be highly competitive. This may give rise to sales being lost to competitors. The creative talent we work with may chose in the future to work on their own, or with our competitors. The Company manages this risk by maintaining its position as a valuable partner with and supporter of the creative talent we work with.

The Company is appropriately funded and well placed to manage its business risks successfully.

Future developments

We 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.

On behalf of the board



J Mowl

Director

10th December 2015

AVALON MANAGEMENT GROUP LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2015

The directors present their annual report and audited financial statements for the year ended 30 June 2015.

Principal activities

The principal activity of the Company continued to be that of the provision of services to performers in the entertainment industry

Results and dividends

The results for the year are set out on page 6.

Dividends of £nil (2014: £nil) were paid or declared in the year.

Future developments

We 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.

Directors

The following directors have held office since 1 July 2014:

R Allen-Turner

R Aslett

S Highmore

D Lloyd

J Mowl

(Appointed 10 October 2014)

G Perkins

J L Taylor

J M Thoday

C Clarke

(Resigned 17 April 2015)

J Gregory

(Resigned 31 October 2014)

Auditor

The Auditor, Deloitte LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

AVALON MANAGEMENT GROUP LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2015

Director's Responsibilities Statement

The directors are responsible for preparing the Strategic Report, 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). 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;
- 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.

Statement of disclosure to Auditor's

So far as the directors are aware, there is no relevant audit information of which the Company's Auditor is unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the Company's auditor is aware of that information.

Going concern

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

On behalf of the board



J Mowll

Director

10th December 2015

AVALON MANAGEMENT GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AVALON MANAGEMENT GROUP LIMITED

We have audited the financial statements of Avalon Management Group Limited for the year ended 30 June 2015 which comprise the Profit and Loss Account, Balance Sheet and the related notes 1-20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 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.

Respective responsibilities of directors and Auditor's

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2015 and of its profit for the year 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF AVALON MANAGEMENT GROUP LIMITED

Matters on which we are required to report by exception

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

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

Dswells

Dan Wells (Senior Statutory Auditor)
for and on behalf of Deloitte LLP

17 December 2015

**Chartered Accountants and
Statutory Auditor
London, United Kingdom**

AVALON MANAGEMENT GROUP LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 £	2014 £
Turnover	2	18,430,053	12,387,625
Cost of sales		(15,178,893)	(9,869,661)
Gross profit		3,251,160	2,517,964
Administrative expenses		(2,792,077)	(2,445,333)
Operating profit	3	459,083	72,631
Other interest receivable and similar income	4	375	32,265
Interest payable and similar charges	5	(3,487)	(1,094)
Profit on ordinary activities before taxation		455,971	103,802
Tax on profit on ordinary activities	6	(111,659)	(62,764)
Profit for the year	14, 15	344,312	41,038

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

There are no recognised gains and losses other than those passing through the profit and loss account in either the current or the prior year.

AVALON MANAGEMENT GROUP LIMITED

BALANCE SHEET

AS AT 30 JUNE 2015

	Notes	2015 £	2014 £
Fixed assets			
Tangible fixed assets	7	236,009	246,807
Investments	8	175,824	175,824
		<u>411,833</u>	<u>422,631</u>
Current assets			
Debtors	9	3,485,355	2,951,636
Cash at bank and in hand		1,533,662	1,163,001
		<u>5,019,017</u>	<u>4,114,637</u>
Creditors: amounts falling due within one year	10	(2,918,750)	(2,386,842)
Net current assets		<u>2,100,267</u>	<u>1,727,795</u>
Total assets less current liabilities		<u>2,512,100</u>	<u>2,150,426</u>
Provisions for liabilities	11	(17,530)	(168)
		<u>2,494,570</u>	<u>2,150,258</u>
Capital and reserves			
Called up share capital	13	1,360,805	1,360,805
Profit and loss account	14	1,133,765	789,453
Shareholders' funds	15	<u>2,494,570</u>	<u>2,150,258</u>

Approved by the Board and authorised for issue on 10th December 2015

J.M. Thoday
Director

Company Registration No. 02242641

AVALON MANAGEMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

Having given due consideration to the above factors, the current year result and the anticipated future performance of the Company, taking into account reasonably possible changes in trading performance, the Directors have been able to form a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason they adopt the going concern basis in preparing the financial statements.

The Company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently in the current and prior years.

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Improvements to property	over the life of the lease
Computer equipment	Straight line over 4 years
Fixtures, fittings & equipment	Straight line over 4 years
Motor vehicles	Straight line over 4 years

1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.7 Pensions

The Company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.8 Taxation

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.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law if these future benefits are considered recoverable. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets and liabilities are not discounted.

AVALON MANAGEMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2015

1 Accounting policies

(Continued)

1.9 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

1.10 Group financial statements

The financial statements present information about the Company as an individual undertaking and not about its group. The Company has not prepared group financial statements as it is exempt from the requirement to do so by section 400 of the Companies Act 2006 as it is a subsidiary undertaking of Martinhoe Holdings Limited, a company incorporated in England & Wales, and is included in the consolidated accounts of that Company.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating profit

	2015 £	2014 £
Operating profit is stated after charging/(crediting):		
Depreciation of tangible assets	128,273	113,504
Loss on disposal of tangible assets	-	870
(Profit)/loss on foreign exchange transactions	(62,636)	1,314
Operating lease rentals		
- Land and buildings	248,231	252,325
- Other assets	8,650	1,820
	<u> </u>	<u> </u>

Auditor's remuneration

Fees payable to the company's auditor for the audit of the company's financial statements	10,000	10,000
Tax services	29,028	4,688
Audit fees paid on behalf of subsidiaries	10,000	-
	<u> </u>	<u> </u>
	49,028	14,688
	<u> </u>	<u> </u>

4 Other interest receivable and similar income

	2015 £	2014 £
Bank interest	375	32,265
	<u> </u>	<u> </u>
	375	32,265
	<u> </u>	<u> </u>

AVALON MANAGEMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2015

5	Interest payable and similar charges	2015	2014
		£	£
	On bank loans and overdrafts	3,487	1,094
		<u> </u>	<u> </u>
6	Tax on profit on ordinary activities	2015	2014
		£	£
	Domestic current year tax		
	U.K. corporation tax	94,547	37,601
	Adjustment for prior years	(250)	28,345
		<u> </u>	<u> </u>
	Total current tax	94,297	65,946
		<u> </u>	<u> </u>
	Deferred tax		
	Origination and reversal of timing differences	17,362	(3,037)
	Effects of changes in tax rates and laws	-	(145)
		<u> </u>	<u> </u>
		17,362	(3,182)
		<u> </u>	<u> </u>
		111,659	62,764
		<u> </u>	<u> </u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	455,971	103,802
		<u> </u>	<u> </u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.75% (2014 - 22.50%)	94,614	23,357
		<u> </u>	<u> </u>
	Effects of:		
	Non deductible expenses	30,662	23,102
	Depreciation add back	26,567	-
	Capital allowances	(28,503)	3,479
	Group relief received for nil consideration	(410)	(12,055)
	Other timing differences	(28,383)	(478)
	Adjustments to previous periods	(250)	28,345
	Other tax adjustments	-	196
		<u> </u>	<u> </u>
		(317)	42,589
		<u> </u>	<u> </u>
	Current tax charge for the year	94,297	65,946
		<u> </u>	<u> </u>

AVALON MANAGEMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2015

7 Tangible fixed assets

	Improvements to property £	Computer equipment £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost					
At 1 July 2014	225,224	258,825	269,944	146,198	900,191
Additions	-	100,015	17,460	-	117,475
Disposals	-	-	(396)	-	(396)
At 30 June 2015	225,224	358,840	287,008	146,198	1,017,270
Depreciation					
At 1 July 2014	225,224	174,342	200,700	53,118	653,384
On disposals	-	-	(396)	-	(396)
Charge for the year	-	58,530	33,214	36,529	128,273
At 30 June 2015	225,224	232,872	233,518	89,647	781,261
Net book value					
At 30 June 2015	-	125,968	53,490	56,551	236,009
At 30 June 2014	-	84,483	69,244	93,080	246,807

AVALON MANAGEMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2015

8 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 1 July 2014 & at 30 June 2015	175,824
Net book value	
At 30 June 2015	175,824
At 30 June 2014	175,824

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
Avalon US Holdings Inc.	USA	Ordinary	100.00

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

		Capital and reserves 2015 £	Profit/(loss) for the year 2015 £
	Principal activity		
Avalon US Holdings Inc.	Holding Co.	198,676	555,323

Avalon US Holdings Inc. has two principal subsidiary companies incorporated in the USA;

- Avalon Management Inc.
- Avalon Television. Inc

Avalon Management Inc. provides the services of performers in the entertainment industry and Avalon Television Inc develops and produces Television and Film projects.

AVALON MANAGEMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2015

9 Debtors	2015 £	2014 £
Trade debtors	229,638	341,661
Amounts owed by parent and fellow subsidiary undertakings	697,527	680,632
Amounts owed by participating interests	1,274,634	482,118
Corporation tax	55,222	104,180
Other debtors	722,857	438,803
VAT recoverable	373,341	764,706
Prepayments and accrued income	132,136	139,536
	<u>3,485,355</u>	<u>2,951,636</u>

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

	2015 £	2014 £
J Taylor	1,267	1,059
R Aslett	1,952	843
G Perkins	7	294
J Thoday	570,127	345,036
R Allen-Turner	63,589	46,001
	<u></u>	<u></u>
10 Creditors: amounts falling due within one year	2015 £	2014 £
Trade creditors	202,102	615,677
Amounts owed to parent and fellow subsidiary undertakings	300,450	-
Amounts owed to participating interests	54,308	7,057
Taxes and social security costs	161,529	147,366
Other creditors	46,122	24,989
Accruals and deferred income	2,154,239	1,591,753
	<u>2,918,750</u>	<u>2,386,842</u>

AVALON MANAGEMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2015

11 Deferred tax

	Deferred tax liability £
Balance at 1 July 2014	168
Profit and loss account	17,362
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Balance at 30 June 2015	17,530
	<hr/> <hr/>

The deferred tax liability is made up as follows:

	2015 £	2014 £
Accelerated capital allowances	17,938	15,692
Other timing differences	(408)	(15,524)
	<hr/>	<hr/>
	17,530	168
	<hr/> <hr/>	<hr/> <hr/>

12 Retirement Benefits

Defined contribution scheme

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by Company to the fund.

	2015 £	2014 £
Contributions paid by the company for the year	59,854	47,378
	<hr/> <hr/>	<hr/> <hr/>

13 Called Up Share capital

	2015 £	2014 £
Allotted, called up and fully paid		
1,360,705 ordinary shares of £1 each	1,360,705	1,360,705
100 variable rate non-cumulative preference shares of £1 each	100	100
	<hr/>	<hr/>
	1,360,805	1,360,805
	<hr/> <hr/>	<hr/> <hr/>

AVALON MANAGEMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2015

14 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 July 2014	789,453
Profit for the year	344,312
Balance at 30 June 2015	<u>1,133,765</u>

15 Reconciliation of movements in Shareholders' funds

	2015 £	2014 £
Profit for the financial year	344,312	41,038
Opening Shareholders' funds	<u>2,150,258</u>	<u>2,109,220</u>
Closing Shareholders' funds	<u>2,494,570</u>	<u>2,150,258</u>

16 Financial commitments

At 30 June 2015 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 June 2016:

	Land and buildings		Other	
	2015 £	2014 £	2015 £	2014 £
Operating leases which expire:				
Within one year	-	124,393	2,508	-
Between two and five years	-	-	1,820	3,823
	<u>-</u>	<u>124,393</u>	<u>4,328</u>	<u>3,823</u>

AVALON MANAGEMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2015

17 Directors' remuneration	2015 £	2014 £
Remuneration for qualifying services	1,883,921	1,660,467
Company pension contributions to defined contribution schemes	36,994	29,750
	<u>1,920,915</u>	<u>1,690,217</u>

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

Remuneration for qualifying services	372,000	491,179
Company pension contributions to defined contribution schemes	-	-
	<u>-</u>	<u>-</u>

18 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2015 Number	2014 Number
Administration	40	40
	<u>40</u>	<u>40</u>

Employment costs

	2015 £	2014 £
Wages and salaries	3,198,404	2,803,581
Social security costs	371,034	315,495
Other pension costs	59,854	47,378
	<u>3,629,292</u>	<u>3,166,454</u>

19 Control

As at the year end date the ultimate controlling party is JM Thoday. The largest and smallest groups within which the Company's financial statements are consolidated is Martinhoe Holdings Limited.

Copies of consolidated financial statements can be obtained from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ.

AVALON MANAGEMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2015

20 Related party relationships and transactions

The company has taken advantage of the exemption available in FRS 8 "Related party disclosures" whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.