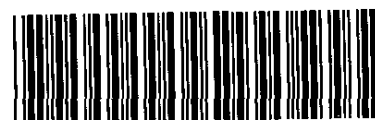


Company Registration No. 02242641 (England and Wales)

AVALON MANAGEMENT GROUP LIMITED
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

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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 Taylor J Thoday J Beresford D Palmer-Brown
Secretary	R Allen-Turner
Company number	02242641
Registered office	4a Exmoor Street London W10 6BD
Bankers	The Royal Bank of Scotland Plc 62/63 Threadneedle Street PO Box 412 London EC2R 8LA

AVALON MANAGEMENT GROUP LIMITED

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Statement of changes in equity	7
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AVALON MANAGEMENT GROUP LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2019

The directors present the strategic report for the year ended 30 June 2019.

Review of the Business

The Company's principal business is that of the provision of management services to comedians, performers, writers and presenters in the entertainment industry.

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 had a strong year, with previous investments in TV developments starting to bring in increased revenue. This is expected to continue to increase in the next period. The Company achieved revenue of £19,488,215 (2018:£22,473,546), and delivered an operating profit of £1,889,699 (2018:£822,412).

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.

The market in which the Company operates continues to be highly competitive. The creative talent we work with may choose 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.

On behalf of the Board



J Mowll
Director

26 June 2020

AVALON MANAGEMENT GROUP LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2019

The directors present their annual report and financial statements for the year ended 30 June 2019.

Principal activities

The principal activity of the company continued to be that of the provision of management services to comedians, performers, writers and presenters in the entertainment industry.

Directors

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

R Allen-Turner

R Aslett

S Highmore

D Lloyd

J Mowll

G Perkins

J Taylor

J Thoday

J Beresford

D Palmer-Brown

(Appointed 13 August 2018)

Results and dividends

The results for the year are set out on page 4.

The Directors do not recommend the payment of a dividend.

Dividends of £3,500,000 (2018: £nil) were declared and paid in the year.

AVALON MANAGEMENT GROUP LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

Director's 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 United Kingdom Accounting Standards, including FRS 102 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 balance sheet 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 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

26 June 2020

AVALON MANAGEMENT GROUP LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019 £	2018 £
Turnover	3	19,488,215	22,473,546
Cost of sales		(13,656,971)	(17,286,914)
Gross profit		5,831,244	5,186,632
Administrative expenses		(3,941,545)	(4,364,220)
Operating profit	4	1,889,699	822,412
Interest receivable and similar income	8	1,262	514
Interest payable and similar expenses	9	(989)	(291)
Profit on ordinary activities before taxation		1,889,972	822,635
Tax on profit on ordinary activities	10	(319,749)	(188,986)
Profit for the financial year		1,570,223	633,649
Other comprehensive income		-	-
Total comprehensive income for the year		1,570,223	633,649

The Statement of Comprehensive Income has been prepared on the basis that all operations are continuing operations.

AVALON MANAGEMENT GROUP LIMITED

BALANCE SHEET

AS AT 30 JUNE 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	12		374,953		308,016
Investments	13		175,824		175,824
			<u>550,777</u>		<u>483,840</u>
Current assets					
Debtors	16	8,322,146		8,409,071	
Cash at bank and in hand		1,131,374		4,635,344	
		<u>9,453,520</u>		<u>13,044,415</u>	
Creditors: amounts falling due within one year	17	(7,097,821)		(8,671,625)	
Net current assets			<u>2,355,699</u>		<u>4,372,790</u>
Total assets less current liabilities			<u>2,906,476</u>		<u>4,856,630</u>
Provisions for liabilities	18		-		(20,376)
Net assets			<u><u>2,906,476</u></u>		<u><u>4,836,253</u></u>
Capital and reserves					
Called up share capital	20	1,360,805		1,360,805	
Profit and loss account		1,545,671		3,475,448	
Total equity			<u><u>2,906,476</u></u>		<u><u>4,836,253</u></u>

The notes on pages 8 to 21 are an integral part of these financial statements.

AVALON MANAGEMENT GROUP LIMITED

BALANCE SHEET (CONTINUED)

AS AT 30 JUNE 2019

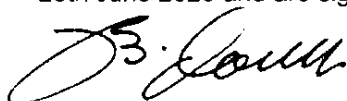
For the financial year ended 30 June 2019 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to non-dormant subsidiary companies.

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements, on pages 4 to 21, were approved by the Board of Directors and authorised for issue on 26th June 2020 and are signed on its behalf by:



J Mowll
Director

Company Registration No. 02242641

AVALON MANAGEMENT GROUP LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2019

	Notes	Share capital £	Profit and loss account £	Total £
Balance at 1 July 2017		1,360,805	2,841,799	4,202,604
Year ended 30 June 2018:				
Profit and total comprehensive income for the year		-	633,649	633,649
Balance at 30 June 2018		1,360,805	3,475,448	4,836,253
Year ended 30 June 2019:				
Profit and total comprehensive income for the year		-	1,570,223	1,370,223
Dividends	11	-	(3,500,000)	(3,500,000)
Balance at 30 June 2019	20	1,360,805	1,545,671	2,906,476

AVALON MANAGEMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

1 Accounting policies

1.1 Company information

The principal activity of the company continued to be that of the provision of management services to comedians, performers, writers and presenters in the entertainment industry.

Avalon Management Group Limited is a company limited by shares incorporated in England and Wales. The registered office is 4a Exmoor Street, London, W10 6BD.

1.2 Statement of compliance

The individual financial statements of Avalon Management Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

1.3 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of Preparation

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value.

(b) Going concern

In reaching their decision to prepare the accounts on a going concern basis, the Directors have considered the impact of the current economic climate on both the company and the group of which it is a member.

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.

(c) Exemptions for Qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the Company's shareholders.

The Company has taken advantage of the following exemption, under FRS 102 paragraph 1.12(b), from preparing a statement of cash flows, on the basis that it is a qualifying entity and its ultimate parent company, Martinhoe Holdings Limited, includes the company's cash flows in its own consolidated financial statements.

(d) Consolidated financial statements

The company is a wholly owned subsidiary of Martinhoe Holdings Limited. It is included in the consolidated financial statements of Martinhoe Holdings Limited which are publicly available. Therefore the company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

These financial statements are the company's separate financial statements.

AVALON MANAGEMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2019

1 Accounting policies

(Continued)

(e) Foreign exchange

(i) Functional and presentation currency

The company's functional and presentation currency is the pound sterling.

(ii) 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 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.

(f) Interest

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

(g) Turnover

Revenue is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

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

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. 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 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	Over the life of the lease
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 disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to the profit or loss.

AVALON MANAGEMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

1 Accounting policies

(Continued)

1.5 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.

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial instruments are recognised in the Company's Balance Sheet when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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.

1.8 Equity instruments

Equity instruments issued by the company 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 company.

AVALON MANAGEMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

1 Accounting policies

(Continued)

1.9 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.

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 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.

1.10 Retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to the profit and loss account 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 an independently administered fund.

AVALON MANAGEMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

1 Accounting policies

(Continued)

1.11 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 under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

2 Judgements and key sources of estimation uncertainty

In the application of the company'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.

No material judgements or estimates have been used in the preparation of the companies financial statements.

3 Turnover and other revenue

Analysis of turnover by category:

	2019 £	2018 £
Turnover		
Talent Management	19,488,215	22,473,546

Analysis of turnover by geographical market:

	2019 £	2018 £
United Kingdom	19,488,215	22,473,546

AVALON MANAGEMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

4 Operating profit

	2019 £	2018 £
Operating profit for the year is stated after charging/(crediting):		
Exchange gains/(losses)	19,387	30,670
Depreciation of owned tangible fixed assets	130,752	142,487
Operating lease charges	12,440	267,085
	<u>162,579</u>	<u>440,242</u>

5 Auditor's remuneration

	2019 £	2018 £
Fees payable to the company's auditor and associates:		
For other services		
Taxation compliance services	12,778	7,175
Taxation advisory services	-	47,300
	<u>12,778</u>	<u>54,475</u>

6 Employees

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

	2019 Number	2018 Number
Directors	6	6
Management	17	15
Administration	27	27
	<u>50</u>	<u>48</u>

Their aggregate remuneration comprised:

	2019 £	2018 £
Wages and salaries	4,103,770	4,518,975
Social security costs	514,902	566,346
Pension costs	70,286	63,291
	<u>4,688,958</u>	<u>5,148,612</u>

AVALON MANAGEMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

7 Directors' remuneration

	2019 £	2018 £
Remuneration for qualifying services	1,860,654	2,273,926
Company pension contributions to defined contribution schemes	11,750	13,165
Compensation for loss of office	-	289,064
	<u>1,872,404</u>	<u>2,576,155</u>

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

Remuneration for qualifying services	625,000	525,000
Company pension contributions to defined contribution schemes	<u>8,000</u>	<u>5,000</u>

8 Interest receivable and similar income

	2019 £	2018 £
Interest income		
Interest on bank deposits	<u>1,262</u>	<u>514</u>

9 Interest payable and similar expenses

	2019 £	2018 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	<u>989</u>	<u>291</u>

10 Taxation

(a) Tax expense included in profit and loss	2019 £	2018 £
Current tax		
UK corporation tax on profits for the current period	328,400	218,282
Adjustments in respect of prior periods	54,429	(8,732)
Total current tax	<u>382,829</u>	<u>209,550</u>

AVALON MANAGEMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

10 Taxation

(Continued)

Deferred tax

Origination and reversal of timing differences	(63,080)	(16,254)
Changes in tax rates	-	(4,310)
Total deferred tax	(63,080)	(20,564)
Total tax charge	319,749	188,986

(b) Reconciliation of tax charge

Tax assessed for the period is lower (2018: higher) than the standard rate or corporation tax in the UK for the year ended 30 June 2019 of 19.00% (2018: 19.00%). The differences are explained below:

	2019 £	2018 £
Profit before taxation	1,889,973	822,636
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	359,095	167,701
Tax effect of expenses that are not deductible in determining taxable profit	87,542	46,831
Depreciation on assets not qualifying for tax allowances	26,629	-
Other non-reversing timing differences	(57,125)	(16,814)
Adjustments in respect of prior years	16,429	(8,732)
Deferred tax adjustments in respect of prior years	(63,080)	-
Capital Allowances	(49,741)	-
Tax expense for the year	319,749	188,986

(c) Tax rate changes

The standard rate of corporation tax in the UK changed from 20% to 19% with effect from 1 April 2017. The Finance Act 2016 will reduce this rate further to 17% from 1 April 2020.

AVALON MANAGEMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

11 Dividends

	2019 £	2018 £
Final paid	3,500,000	-

A dividend of £2.57 per share (£3,500,000), was declared and paid to the sole shareholder (Martinhoe Holdings Ltd) on 26th June 2019.

12 Tangible fixed assets

	Improvements to property £	Fixtures, fittings & equipment £	Computer equipment £	Motor vehicles £	Total £
Cost					
At 1 July 2018	225,224	328,603	661,485	214,094	1,429,406
Additions	-	53,861	143,828	-	197,689
At 30 June 2019	225,224	382,464	805,313	214,094	1,627,095
Depreciation and impairment					
At 1 July 2018	225,224	300,851	460,365	134,950	1,121,390
Depreciation charged in the year	-	18,854	80,241	31,657	130,752
At 30 June 2019	225,224	319,705	540,606	166,607	1,252,142
Carrying amount					
At 30 June 2019	-	62,759	264,707	47,487	374,953
At 30 June 2018	-	27,752	201,120	79,145	308,017

13 Fixed asset investments

	Notes	2019 £	2018 £
Investments in subsidiaries	14	175,824	175,824

AVALON MANAGEMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

13 Fixed asset investments (Continued)

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 July 2018 & 30 June 2019	175,824
Carrying amount	
At 30 June 2019	175,824
At 30 June 2018	175,824

AVALON MANAGEMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

14 Subsidiaries

Details of the company's subsidiaries at 30 June 2019 are as follows:

Name of undertaking and country of incorporation or residency		Nature of business	Class of shareholding	% Held
Avalon US Holdings Inc.	USA	Holding Co.	Ordinary Shares	100.00
Avalon Management Inc.*	USA	Talent Management	Ordinary Shares	100.00
Avalon Television Inc.*	USA	Television Programme Production	Ordinary Shares	100.00
Novel Productions Inc.*	USA	Television Programme Production	Ordinary Shares	100.00
Avalon Management Group NY USA LLC*	USA	Talent Management	Ordinary Shares	100.00
Bacon Bar Productions LLC*	USA	Television Programme Production	Ordinary Shares	100.00
Sketch Productions LLC*	USA	Television Programme Production	Ordinary Shares	100.00
50/50 Productions LLC*	USA	Television Programme Production	Ordinary Shares	100.00
50/50 Studio Productions	USA	Television Programme Production	Ordinary Shares	100.00
Pointless Studio Productions Inc*	USA	Television Programme Production	Ordinary Shares	100.00
Partially Important Productions LLC*	USA	Television Programme Production	Ordinary Shares	100.00
Workaholics*	USA	Television Programme Production	Ordinary Shares	100.00

*Indirect holdings

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.

The registered office of all of the company's subsidiaries, detailed above, is 9171 Wilshire Blvd, Beverly Hills, CA 90210, USA.

AVALON MANAGEMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

15 Financial instruments

	2019 £	2018 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	6,715,874	5,252,493
Equity instruments measured at cost less impairment	175,824	175,824
Carrying amount of financial liabilities		
Measured at amortised cost	6,750,680	7,442,339

Financial assets measured at amortised cost comprise of trade debtors, other debtors, amounts owed by group undertakings, and accrued income.

Financial liabilities measured at amortised cost comprise of trade creditors, other creditors, accruals and amounts owed to group undertakings.

16 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	564,097	683,701
Corporation tax recoverable	383,321	1,059,117
Amounts owed by fellow group undertakings	1,848,485	1,560,864
Amounts owed by related parties	2,452,691	1,359,315
Other debtors	1,843,924	2,936,014
VAT recoverable	744,071	458,109
Prepayments and accrued income	465,726	351,950
	8,302,316	8,409,071
Deferred tax asset (note 18)	19,830	-
	8,322,146	8,409,071

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

	2019	2018
J Taylor	969	1,765
R Aslett	2,219	5,588
J Thoday	1,725,809	2,266,033
R Allen-Turner	14,316	55,508
	1,743,312	2,328,894

Amounts owed to group undertakings and participating interests are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

AVALON MANAGEMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

17 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	295,348	255,264
Amounts owed to group undertakings	2,705,541	2,654,493
Amounts owed to related parties	244,281	126,051
Corporation tax	-	349,905
Other taxation and social security	251,074	130,824
Other creditors	83,391	57,719
Accruals and deferred income	3,518,186	5,097,370
	<u>7,097,821</u>	<u>8,671,626</u>

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

18 Deferred taxation

Deferred tax assets and liabilities are offset where the 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:

	2019 £	2018 £	Liability 2019 £	Liability 2018 £
The deferred tax asset is made up as follows:				
Accelerated capital allowances	19,830	-	-	25,215
Other timing differences	-	-	-	(4,838)
	<u>19,830</u>	<u>-</u>	<u>-</u>	<u>20,377</u>

	2019 £
Movements in the year:	
Balance/(Asset) at 1 July 2018	(20,377)
Profit and loss account	63,080
Other	(22,873)
Balance at 30 June 2019	<u>19,830</u>

AVALON MANAGEMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

19 Retirement benefit schemes

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The charge to profit and loss in respect of defined contribution schemes was £70,285 (2018: £63,281)

20 Share capital

	2019 £	2018 £
Ordinary share capital		
Issued and fully paid		
1,360,705 ordinary shares of £1 each	1,360,705	1,360,705
Preference share capital		
Authorised		
100 variable rate non-cumulative preference shares of £1 each	100	100

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

21 Operating lease commitments

Lessee

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

	2019 £	2018 £
Within one year	4,427	10,617
Between two and five years	8,014	2,627
	12,440	13,244

22 Control

The immediate parent undertaking is Martinhoe Holdings Limited.

The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is Martinhoe Holdings Limited. Copies of consolidated financial statements can be obtained from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ.

The ultimate controlling party is JM Thoday.