

Registered number: 04333049

WASTED TALENT LTD

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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WASTED TALENT LTD

COMPANY INFORMATION

Directors Jeremy William Perkins
 Ian Stuart Flooks
 Matthew Ellis Mee
 Nicholas Robert Robinson

Company secretary David Joseph

Registered number 04333049

Registered office 90-92 Pentonville Road
 London
 N1 9HS

Independent auditors Haysmacintyre LLP
 10 Queen Street Place
 London
 EC4R 1AG

WASTED TALENT LTD

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WASTED TALENT LTD

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their report and the financial statements for the year ended 31 December 2020.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' Report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 the Group and of the profit or loss of the Group for that period.

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

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The principal activity of the Group is in marketing and packaging content through print, digital media and events.

Results and dividends

The loss for the year, after taxation, amounted to £2,460,975 (2019 - loss £4,828,988).

Directors

The directors who served during the year were:

Jeremy William Perkins
Ian Stuart Flooks
Matthew Ellis Mee
Nicholas Robert Robinson

WASTED TALENT LTD

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Going concern

The financial statements have been prepared on a going concern basis. The Group recorded a loss of £2,460,975 (2019: £4,828,988) for the year and holds cash reserves of £639,999 (2019: £84,218) at the year end.

The directors have prepared cash flow forecasts and considered the cash flow requirement for the Group for a period not less than twelve months after the date of the approval of these financial statements. These reflect the expected trading performance of the Group on the basis of best estimates of management using current knowledge and expectations of trading performance.

The directors remain confident that the Group expects to have sufficient working capital to meet its liabilities and ongoing operations, and therefore consider it appropriate to adopt the going concern basis of preparation for these financial statements. However, the directors have identified the financial forecasts and future fundraising as material uncertainties that may cast significant doubt upon the Group's or the parent company's ability to continue as a going concern.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Auditors

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

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 30 July 2021 and signed on its behalf.



Jeremy William Perkins
Director

WASTED TALENT LTD

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WASTED TALENT LTD

Opinion

We have audited the financial statements of Wasted Talent Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2020, which comprise the Group Statement of Comprehensive Income, the Group and Company Statements of Financial Position, the Group and Company Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2020 and of the Group's loss 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.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

Material uncertainty related to going concern

We draw attention to note 2.3 in the financial statements, which indicates that the performance of the Group has fallen below expectations during the year and there is uncertainty over its future trading performance and fundraising abilities. As stated in note 2.3, these events or conditions, along with other matters as set forth in note 2.3, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

WASTED TALENT LTD

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WASTED TALENT LTD (CONTINUED)

Opinion 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Group Strategic Report.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 1, 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.

WASTED TALENT LTD

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WASTED TALENT LTD (CONTINUED)

Auditors' 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 Auditors' 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 Group financial statements.

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:

- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular, journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates

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

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' 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.



Jon Dawson
For and behalf of Haysmacintyre LLP

Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

30 July 2021

WASTED TALENT LTD

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 £	2019 £
Turnover	4	4,255,902	6,960,803
Cost of sales		(3,877,242)	(7,084,733)
Gross profit/(loss)		<u>378,660</u>	<u>(123,930)</u>
Distribution costs		(112,332)	(244,983)
Administrative expenses		(3,222,248)	(4,459,615)
Other operating income	5	492,764	-
Operating loss	6	<u>(2,463,156)</u>	<u>(4,828,528)</u>
Interest receivable and similar income		2,181	6,262
Loss before taxation		<u>(2,460,975)</u>	<u>(4,822,266)</u>
Tax on loss		-	(6,722)
Loss for the financial year		<u><u>(2,460,975)</u></u>	<u><u>(4,828,988)</u></u>
Foreign exchange movement		85,466	29,759
Other comprehensive income for the year		<u>85,466</u>	<u>29,759</u>
Total comprehensive income for the year		<u><u>(2,375,509)</u></u>	<u><u>(4,799,229)</u></u>

The notes on pages 12 to 30 form part of these financial statements.

WASTED TALENT LTD
REGISTERED NUMBER: 04333049

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	11	9,135	24,122
Tangible assets	12	96,854	108,354
		<u>105,989</u>	<u>132,476</u>
Current assets			
Stocks	14	-	22,876
Debtors	15	1,339,350	2,320,274
Cash at bank and in hand	16	639,999	84,218
		<u>1,979,349</u>	<u>2,427,368</u>
Creditors: amounts falling due within one year	17	(912,256)	(1,980,816)
Net current assets		<u>1,067,093</u>	<u>446,552</u>
Total assets less current liabilities		<u>1,173,082</u>	<u>579,028</u>
Net assets		<u><u>1,173,082</u></u>	<u><u>579,028</u></u>
Capital and reserves			
Called up share capital	18	6,923	6,276
Share premium account	19	4,813,572	1,824,755
Foreign exchange reserve	19	85,466	19,901
Profit and loss account	19	(3,732,879)	(1,271,904)
		<u>1,173,082</u>	<u>579,028</u>

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

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 July 2021.



Jeremy William Perkins
Director

The notes on pages 12 to 30 form part of these financial statements.

WASTED TALENT LTD
REGISTERED NUMBER: 04333049

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	11	9,135	24,122
Tangible assets	12	96,854	84,175
Investments	13	64	64
		<u>106,053</u>	<u>108,361</u>
Current assets			
Stocks	14	-	10,035
Debtors: amounts falling due within one year	15	1,339,352	1,685,548
Cash at bank and in hand	16	634,163	58,960
		<u>1,973,515</u>	<u>1,754,543</u>
Creditors: amounts falling due within one year	17	(898,925)	(1,714,025)
Net current assets		<u>1,074,590</u>	<u>40,518</u>
Total assets less current liabilities		<u>1,180,643</u>	<u>148,879</u>
Net assets excluding pension asset		<u>1,180,643</u>	<u>148,879</u>
Net assets		<u><u>1,180,643</u></u>	<u><u>148,879</u></u>
Capital and reserves			
Called up share capital	18	6,923	6,276
Share premium account	19	4,813,572	1,824,755
Profit and loss account brought forward		(1,682,152)	4,687,774
Loss for the year		(1,957,700)	(6,369,926)
Profit and loss account carried forward		<u>(3,639,852)</u>	<u>(1,682,152)</u>
		<u><u>1,180,643</u></u>	<u><u>148,879</u></u>

WASTED TALENT LTD
REGISTERED NUMBER: 04333049

COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2020

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

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 July 2021.



Jeremy William Perkins
Director

The notes on pages 12 to 30 form part of these financial statements.

WASTED TALENT LTD

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital £	Share premium account £	Foreign exchange reserve £	Profit and loss account £	Total equity £
At 1 January 2019	5,978	825,078	(9,858)	3,557,084	4,378,282
Loss for the year	-	-	-	(4,828,988)	(4,828,988)
Foreign exchange movement	-	-	29,759	-	29,759
Shares issued during the year	298	999,677	-	-	999,975
At 1 January 2020	6,276	1,824,755	19,901	(1,271,904)	579,028
Loss for the year	-	-	-	(2,460,975)	(2,460,975)
Foreign exchange movement	-	-	65,565	-	65,565
Shares issued during the year	647	2,988,817	-	-	2,989,464
At 31 December 2020	6,923	4,813,572	85,466	(3,732,879)	1,173,082

The notes on pages 12 to 30 form part of these financial statements.

WASTED TALENT LTD

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 January 2019	5,978	825,078	4,687,774	5,518,830
Loss for the year	-	-	(6,369,926)	(6,369,926)
Shares issued during the year	298	999,677	-	999,975
At 1 January 2020	6,276	1,824,755	(1,682,152)	148,879
Loss for the year	-	-	(1,957,700)	(1,957,700)
Shares issued during the year	647	2,988,817	-	2,989,464
At 31 December 2020	6,923	4,813,572	(3,639,852)	1,180,643

The notes on pages 12 to 30 form part of these financial statements.

WASTED TALENT LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. General information

Wasted Talent Limited is a private company limited by shares and incorporated in England and Wales. The registered office address is 90-92 Pentonville Road, London, N1 9HS.

The principal activity of the Group is in marketing and packaging content through print, digital media and events.

The Group financial statements are presented in sterling.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

Parent Company disclosure exemptions

In preparing the separate financial statements of the parent *Company*, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No Statement of Cash Flows has been presented for the parent *Company*;

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between Group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

WASTED TALENT LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.3 Going concern

The financial statements are required to be prepared on the going concern basis unless it is inappropriate to do so.

As at 31 December 2020, the Group made a loss of £2,460,975 (2019: £4,828,988) and had cash and cash equivalents of £639,999 (2019: £84,218).

During the year ended 31 December 2020, the Group raised £2,989,464 through placement of 6,470 shares. The investment received during the year has given the Group the ability to meet its day-to-day working capital requirements.

However during the year, the Group has performed below expectations, has incurred material losses to date, and is reliant on external funding. The directors have prepared cashflow forecasts for a period of at least 12 months from the date of approval of these financial statements. These reflect the expected trading performance of the Group on the basis of best estimates of management using current knowledge and expectations of trading performance. These forecasts and projections have also been stress tested to consider the 'worst plausible case scenarios'.

The directors remain confident that the Group expects to have sufficient working capital to meet its liabilities and ongoing operations. The directors consider it appropriate to adopt the going concern basis of preparation for these financial statements, however have identified the financial forecasts and future fundraising as material uncertainties that may cast significant doubt upon the Group's or the parent company's ability to continue as a going concern.

WASTED TALENT LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.4 Foreign currency translatio

Functional and presentation currency

The Company's functional and presentational currency is GBP.

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 profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.5 Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods provided in the normal course of business, net of discounts and sales related taxes.

Revenue from the sale of goods and provision of services provided by the Group during the year relate to print, digital media and events marketing. The Group recognises revenue on key revenue streams as follows:

Advertising and events marketing

Revenue is recognised over the period of the contract as the service requirements are fulfilled

Magazine distribution

Revenue is recognised on delivery of the magazine to the customer

Magazine subscriptions

Revenue is recognised evenly over the subscription period

WASTED TALENT LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.6 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants of a revenue nature are recognised in the Consolidated Statement of Comprehensive Income in the same period as the related expenditure.

2.7 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.8 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

2.9 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

WASTED TALENT LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.10 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated Statement of Comprehensive Income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Trademarks	-	6	years
Websites	-	4	years

2.11 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings	-	33%
Computer equipment	-	33%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

WASTED TALENT LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.12 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.13 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.14 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.15 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.16 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.17 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.18 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

WASTED TALENT LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.18 Financial instruments (continued)

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an 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.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates. The areas where these judgements and estimates have been made included:

Useful economic life of fixed assets

Management reviews its estimates of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment.

Receivables

Receivables are recognised to the extent that they are judged recoverable. Management reviews are performed to estimate the level of provisions required for irrecoverable debt. Provisions are made specially against invoices or intercompany loan agreements where recoverability is uncertain. At the year end, the directors have provided for the full intercompany loan balance due to the parent company as a result of the closure of US operations.

WASTED TALENT LTD

**NOTES TO THE FINANCIAL STATEMENTS
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4. Turnover

An analysis of turnover by class of business is as follows:

	2020 £	2019 £
Advertising and events marketing	4,031,177	5,911,560
Magazine distribution	169,349	674,203
Magazine subscriptions	55,376	375,040
	<u>4,255,902</u>	<u>6,960,803</u>

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	3,964,552	3,043,307
Rest of the world	291,350	3,917,496
	<u>4,255,902</u>	<u>6,960,803</u>

5. Other operating income

	2020 £	2019 £
Intercompany write off	283,274	-
Government grants receivable	209,490	-
	<u>492,764</u>	<u>-</u>

6. Operating loss

The operating loss is stated after charging:

	2020 £	2019 £
Depreciation of tangible fixed assets (note 12)	70,437	59,089
Amortisation of intangibles (note 11)	14,987	148,994
Auditors remuneration (note 7)	25,000	25,000
Defined contribution pension costs (note 8)	53,532	52,472
	<u></u>	<u></u>

WASTED TALENT LTD

**NOTES TO THE FINANCIAL STATEMENTS
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7. Auditors' remuneration

	2020 £	2019 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	<u>18,000</u>	<u>19,750</u>
Fees payable to the Group's auditor and its associates in respect of:		
Accounting services	3,000	1,500
Taxation compliance services	3,500	3,000
Other services relating to taxation	500	750
	<u>7,000</u>	<u>5,250</u>

8. Employees

	2020 £	2019 £
Wages and salaries	2,304,589	4,072,826
Social security costs	234,484	402,463
Cost of defined contribution scheme	53,532	52,472
	<u>2,592,605</u>	<u>4,527,761</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2020 No.	2019 No.
Employees	<u>52</u>	<u>69</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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9. Directors' remuneration

	2020 £	2019 £
Directors emoluments	248,803	295,000
Company contributions to defined contribution schemes	10,591	11,416
	<u>259,394</u>	<u>306,416</u>

In the year, there were 2 (2019: 2) directors accruing benefits under defined contribution pension schemes.

The highest paid director received remuneration of £123,050 (2019 - £160,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £10,175 (2019 - £11,000).

The directors are considered to be the only key management personnel of the Group.

10. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	-	6,722
	<u>-</u>	<u>6,722</u>
Total current tax	<u>-</u>	<u>6,722</u>

WASTED TALENT LTD

NOTES TO THE FINANCIAL STATEMENTS
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10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2019 - higher than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Loss on ordinary activities before tax	(2,375,509)	(4,822,266)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	(451,346)	(916,231)
Effects of:		
Fixed asset differences	3,938	111,342
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	20,511	11,763
Deferred tax not recognised	-	793,126
Effect of different tax rates of subsidiary operating in another jurisdiction	-	6,722
Income not taxable for tax purposes	426,897	-
Total tax charge for the year	-	6,722

The deferred tax asset has not been recognised due to uncertainty around the future profitability of the business in the foreseeable future.

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

WASTED TALENT LTD

**NOTES TO THE FINANCIAL STATEMENTS
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11. Intangible assets**Group**

	Trademarks £	Computer software £	Goodwill £	Total £
Cost				
At 1 January 2020	786,800	162,080	1,554,837	2,503,717
At 31 December 2020	786,800	162,080	1,554,837	2,503,717
Amortisation				
At 1 January 2020	786,800	137,958	1,554,837	2,479,595
Charge for the year	-	14,987	-	14,987
At 31 December 2020	786,800	152,945	1,554,837	2,494,582
Net book value				
At 31 December 2020	-	9,135	-	9,135
At 31 December 2019	-	24,122	-	24,122

WASTED TALENT LTD

**NOTES TO THE FINANCIAL STATEMENTS
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11. Intangible assets (continued)

Company

	Trademarks £	Computer software £	Goodwill £	Total £
Cost				
At 1 January 2020	786,800	162,080	1,554,837	2,503,717
At 31 December 2020	786,800	162,080	1,554,837	2,503,717
Amortisation				
At 1 January 2020	786,800	137,958	1,554,837	2,479,595
Charge for the year	-	14,987	-	14,987
At 31 December 2020	786,800	152,945	1,554,837	2,494,582
Net book value				
At 31 December 2020	-	9,135	-	9,135
At 31 December 2019	-	24,122	-	24,122

WASTED TALENT LTD

**NOTES TO THE FINANCIAL STATEMENTS
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12. Tangible fixed assets

Group

	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation			
At 1 January 2020	146,409	183,406	329,815
Additions	39,999	20,884	60,883
Disposals	(1,946)	-	(1,946)
At 31 December 2020	<u>184,462</u>	<u>204,290</u>	<u>388,752</u>
Depreciation			
At 1 January 2020	85,538	135,923	221,461
Charge for the year	44,899	25,538	70,437
At 31 December 2020	<u>130,437</u>	<u>161,461</u>	<u>291,898</u>
Net book value			
At 31 December 2020	<u>54,025</u>	<u>42,829</u>	<u>96,854</u>
At 31 December 2019	<u>60,871</u>	<u>47,483</u>	<u>108,354</u>

WASTED TALENT LTD

**NOTES TO THE FINANCIAL STATEMENTS
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12. Tangible fixed assets (continued)

Company

	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation			
At 1 January 2020	92,457	151,713	244,170
Additions	39,999	16,383	56,382
At 31 December 2020	<u>132,456</u>	<u>168,096</u>	<u>300,552</u>
Depreciation			
At 1 January 2020	57,154	102,841	159,995
Charge for the year	21,277	22,426	43,703
At 31 December 2020	<u>78,431</u>	<u>125,267</u>	<u>203,698</u>
Net book value			
At 31 December 2020	<u>54,025</u>	<u>42,829</u>	<u>96,854</u>
At 31 December 2019	<u>35,303</u>	<u>48,872</u>	<u>84,175</u>

13. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2020	64
At 31 December 2020	<u>64</u>

WASTED TALENT LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

13. Fixed asset investments (continued)

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Registered office	Holding
Wasted Talent Inc	100 Bogart Street, NY 11206 USA. Third office leased: 624 South Anderson St., Los Angeles, CA 90023	100%

14. Stocks

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Raw materials and consumables	-	22,876	-	10,035
	<u>-</u>	<u>22,876</u>	<u>-</u>	<u>10,035</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

15. Debtors

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Trade debtors	1,097,451	2,013,161	1,097,451	1,438,526
Amounts owed by group undertakings	-	-	-	17,786
Other debtors	42,240	168,249	42,242	101,026
Prepayments and accrued income	199,659	138,864	199,659	128,210
	<u>1,339,350</u>	<u>2,320,274</u>	<u>1,339,352</u>	<u>1,685,548</u>

WASTED TALENT LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

16. Cash and cash equivalents

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Cash at bank and in hand	639,999	84,218	634,163	58,960
	<u>639,999</u>	<u>84,218</u>	<u>634,163</u>	<u>58,960</u>

Barclays Bank PLC hold a fixed and floating charge dated 18 December 2018 over the Company in respect of all monies held in a specified deposit account.

17. Creditors: Amounts falling due within one year

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Trade creditors	307,357	779,309	307,357	703,432
Other taxation and social security	121,969	247,620	121,969	247,602
Other creditors	19,864	16,783	19,928	16,850
Accruals and deferred income	463,066	937,104	449,671	746,141
	<u>912,256</u>	<u>1,980,816</u>	<u>898,925</u>	<u>1,714,025</u>

Amounts owed to Group undertakings are unsecured and are repayable on demand. No interest is charged on these amounts as they are trading balances with no fixed repayment terms.

18. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
69,230 (2019 - 62,764) Ordinary shares of £0.10 each	<u>6,923</u>	<u>6,276</u>

The following ordinary share issues have been made during the year:

In April 2020, 6,470 ordinary shares were issued at £462.05 per share.

WASTED TALENT LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

19. Reserves

Share premium account

Represents the premium received on the issuance of equity above the nominal value of the shares issued.

Foreign exchange reserve

Current year and cumulative foreign exchange differences on consolidation of overseas subsidiaries.

Profit and loss account

Reserve represents current year profits and cumulative prior year profits, net of dividends paid.

20. Commitments under operating leases

At 31 December 2020 the Group had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2019 £	Company 2019 £
Not later than 1 year	338,623	223,802
Later than 1 year and not later than 5 years	14,208	-
	<u>352,831</u>	<u>223,802</u>

21. Pension commitments

The Group operates a defined contribution pension scheme. The pension cost charge for the period represents the contribution payable by the Group to the scheme and amounted to £53,532 (2019: £52,472).

There were outstanding contributions at the end of the financial year of £6,962 (2019: £5,389).

WASTED TALENT LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

22. Related party transactions

Wasted Talent Media Inc. is a wholly owned subsidiary of Wasted Talent Ltd, therefore the company has taken advantage of the exemption under FRS 102 to not disclose transactions and balances with other wholly owned Group companies.

During the year the Group was invoiced £142,638 (2019: £132,000) for accountancy services by Integral2 Limited, a company in which David Joseph is a director. The Group has an outstanding balance of £13,834 (2019: £13,376) at the Statement of Financial Position date.

A direct family member of a Director received remuneration of £Nil (2019: £11,000) for office management services during the year.

During the year, the Group was invoiced £119,092 (2019: £140,000) by Wasted Talent Productions Limited for consultancy services provided by Ian Flooks, a common director. The Group had an outstanding balance of £6,000 (2019: £25,445) at the Statement of Financial Position date.