
TALENT INTERNATIONAL (UK) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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TALENT INTERNATIONAL (UK) LIMITED

COMPANY INFORMATION

Directors	J R Butterfield R W Earl
Company secretary	P M Dundon
Registered number	08729262
Registered office	First Floor 138 Edmund Street Birmingham B3 2ES
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 4 Hardman Square Spinningfields Manchester M3 3EB
Solicitors	Clarke Willmott 1 Georges Square Bath Street Bristol BS1 6BA

TALENT INTERNATIONAL (UK) LIMITED

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TALENT INTERNATIONAL (UK) LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2020

Introduction

The principal activity of the Group is the recruitment of technology and digital professionals. Our services are provided to our customers through retained search, exclusive project based recruitment projects and contingency recruitment covering the supply of both contract and permanent technology and digital professionals.

Business review

In the first half of the financial year the business traded profitably but despite mitigating actions regarding the company's cost base, the reduced trading levels in the last quarter of the financial year which coincided with the height of the pandemic had an adverse impact on profitability and led to a small operating loss for the year.

Although the initial impact of the pandemic had an adverse effect on the financial results for the year, the core markets of the company of information technology services have remained relatively robust.

During and after the main lockdown period the business has continued to substantially operate as normal with a combination of social-distance measures in the main office bases and staff home-working supported by the substantial technology investment from the company over recent years.

The loss for the financial year was £227,576 (2019: £61,552 profit).

Principal risks and uncertainties

The longer-term economic impact of the pandemic which has affected almost the entire calendar year of 2020 has yet to be known.

The business continues to be concerned over the market for temporary and contingent labour which will be subject to considerable change during the coming financial year as the changes to off-payroll worker regulations are implemented.

TALENT INTERNATIONAL (UK) LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

Treasury Policies

Financial Instruments

The Group's financial instruments comprise cash at bank, balances with group undertakings and trade debtors and creditors, loan notes and the invoice discounting facility arising from normal operations.

These financial instruments are used to fund the Group's operations. It is group policy that no trading in financial instruments be undertaken.

Interest Rate Risk

There are no bank borrowings so interest rate risk arises only from the loan notes and invoice discounting facility. Loan note interest is at a fixed rate and the invoice discount rate varies in line with changes in LIBOR. Further loan note redemption following the year end mean that all remaining loan notes in the company are payable to the parent company.

Credit Risk

The Group's objective is to reduce the risk of financial loss due to a counterparty's failure to honour its obligations. The Group's principal financial assets are cash and trade debtors. The principal credit risk arises from its trade debtors. In order to mitigate this risk the company operates a robust credit management policy which includes a review of the customer credit and payment history and has in place a credit insurance policy which substantively covers its trade debtors.

Liquidity Risk

Liquidity risk is mitigated by careful and active management of the Group's funds to provide sufficient liquidity for its foreseeable needs.

Financial key performance indicators

The financial key performance indicators of the group are:

	2020	2019
Net fee income per head	£103,860	£104,685
% contract margin	15.66%	14.67%
Average perm fee	£7,506	£8,609

With regards to non-financial key performance indicators the Directors actively monitor staff numbers.

The results of these are in line with the business review on page 1.

TALENT INTERNATIONAL (UK) LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2020**

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

Jon Butterfield

J R Butterfield
Director

Date: 17/12/2020

TALENT INTERNATIONAL (UK) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2020

The directors present their report and the financial statements for the year ended 30 June 2020.

Results and dividends

The loss for the year, after taxation, amounted to £227,576 (2019: *profit* £61,552).

Dividends of £Nil (2019: £Nil) were paid during the year.

Directors

The directors who served during the year, unless otherwise stated were:

J R Butterfield
R W Earl

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, 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 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 and the profit or loss of the Company and the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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.

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

TALENT INTERNATIONAL (UK) LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2020**

Going concern

The company is funded by a combination of loans from its parent company and an invoice discount facility.

Following the year end the company received additional CBIL funding via its main funder and reset its banking covenants.

Management have prepared forecasts to June 2022, which incorporate any further expected impact of Covid-19, and these forecasts indicate the entity will be able to continue to operate, within its existing facilities, for the foreseeable future and for at least 12 months from the date of approval of these financial statements.

The company has obtained written confirmation of support from its parent company for at least 12 months from the date of these financial statements. The company's parent has renewed its credit line during the year and facilities are now in place until 31 January 2022.

Based on the above, the Directors have concluded that it is appropriate to prepare the financial statements on going concern basis.

Qualifying third party indemnity provisions

Insurance policies are in place that indemnify the directors against liability when acting for Talent International (UK) Limited.

Post balance sheet events

Covid-19 has been considered as a post balance sheet event however no adjustments have been recognised in relation to this.

Disclosure of information to auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

Auditor

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

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


J R Butterfield
Director

Date: 17/12/2020



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TALENT INTERNATIONAL (UK) LIMITED

Opinion

We have audited the financial statements of Talent International (UK) Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 30 June 2020, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statement of Changes in Equity and the Consolidated Statement of Cash Flows and notes to the financial statements, 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 30 June 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 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Group and the parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the Group's or the parent Company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the Group's or the parent Company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a Group and the Parent Company associated with these particular events.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TALENT INTERNATIONAL (UK) LIMITED
(CONTINUED)**

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's and the parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

In our evaluation of the directors' conclusions, we considered the risks associated with the Group's and the parent Company's business model, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit, and analysed how those risks might affect the Group and the parent Company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this Auditor's Report is not a guarantee that the Group and the parent Company will continue in operation.

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 Auditor's 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.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TALENT INTERNATIONAL (UK) LIMITED
(CONTINUED)**

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

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 Group Strategic Report or the Directors' Report.

Matters on which we are required to report by exception

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

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

Responsibilities of directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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.



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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our report

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

Grant Thornton UK LLP

Michael Lowe
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Manchester
Date: 17/12/2020

TALENT INTERNATIONAL (UK) LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020**

	Note	2020 £	2019 £
Turnover - continuing operations	4	36,098,904	40,093,596
Cost of sales		(28,621,012)	(31,614,130)
Gross profit		7,477,892	8,479,466
Administrative expenses		(7,639,055)	(8,190,870)
Other operating income		125,551	-
Operating (loss)/profit	6	(35,612)	288,596
Interest receivable and similar income	10	-	19
Interest payable and expenses	11	(191,964)	(227,063)
(Loss)/profit before taxation		(227,576)	61,552
Tax on (loss)/profit	12	-	-
(Loss)/profit for the financial year		(227,576)	61,552
Profit/(loss) for the year attributable to:			
Owners of the parent Company		(227,576)	61,552

There was no other comprehensive income for 2020 (2019: £Nil).

The notes on pages 18 to 37 form part of these financial statements.

TALENT INTERNATIONAL (UK) LIMITED
REGISTERED NUMBER:08729262

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	13	65	587
Tangible assets	14	80,113	100,352
Investments	15	10,376	10,376
		<u>90,554</u>	<u>111,315</u>
Current assets			
Debtors: amounts falling due within one year	16	3,906,640	6,168,561
Cash at bank and in hand	17	541,744	197,634
		<u>4,448,384</u>	<u>6,366,195</u>
Creditors: amounts falling due within one year	18	(6,449,275)	(7,637,879)
Net current liabilities		<u>(2,000,891)</u>	<u>(1,271,684)</u>
Total assets less current liabilities		<u>(1,910,337)</u>	<u>(1,160,369)</u>
Creditors: amounts falling due after more than one year	19	-	(522,392)
Provisions for liabilities			
Net liabilities		<u><u>(1,910,337)</u></u>	<u><u>(1,682,761)</u></u>
Capital and reserves			
Called up share capital	23	287,827	287,827
Share premium account	24	2,063,247	2,063,247
Profit and loss account	24	(4,261,411)	(4,033,835)
		<u><u>(1,910,337)</u></u>	<u><u>(1,682,761)</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 17/12/2020

Jon Butterfield

J R Butterfield
 Director

The notes on pages 18 to 37 form part of these financial statements.

TALENT INTERNATIONAL (UK) LIMITED
REGISTERED NUMBER:08729262

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	13	65	587
Tangible assets	14	76,787	95,641
Investments	15	33,362	33,362
		<u>110,214</u>	<u>129,590</u>
Current assets			
Debtors: amounts falling due within one year	16	4,212,842	6,183,297
Cash at bank and in hand	17	457,669	188,348
		<u>4,670,511</u>	<u>6,371,645</u>
Creditors: amounts falling due within one year	18	(6,027,995)	(7,102,938)
Net current liabilities		<u>(1,357,484)</u>	<u>(731,293)</u>
Total assets less current liabilities		<u>(1,247,270)</u>	<u>(601,703)</u>
Creditors: amounts falling due after more than one year	19	-	(522,392)
Net liabilities		<u><u>(1,247,270)</u></u>	<u><u>(1,124,095)</u></u>
Capital and reserves			
Called up share capital	23	287,827	287,827
Share premium account	24	2,063,247	2,063,247
Profit and loss account brought forward		(3,475,169)	(3,478,271)
(Loss)/profit for the year		(123,175)	3,102
Profit and loss account carried forward		<u>(3,598,344)</u>	<u>(3,475,169)</u>
		<u><u>(1,247,270)</u></u>	<u><u>(1,124,095)</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 17/12/2020

Jon Butterfield

J R Butterfield
 Director

The notes on pages 18 to 37 form part of these financial statements.

TALENT INTERNATIONAL (UK) LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 July 2019	287,827	2,063,247	(4,033,835)	(1,682,761)
Comprehensive income for the year				
Loss for the year	-	-	(227,576)	(227,576)
Total comprehensive income for the year	-	-	(227,576)	(227,576)
Total transactions with owners	-	-	-	-
At 30 June 2020	287,827	2,063,247	(4,261,411)	(1,910,337)

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

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 July 2018	287,827	2,706,718	(4,738,858)	(1,744,313)
Comprehensive income for the year				
Profit for the year	-	-	61,552	61,552
Total comprehensive income for the year	-	-	61,552	61,552
Transfer of subsidiary premium to P&L reserve	-	(643,471)	-	(643,471)
Elimination of pre acquisition P&L reserve	-	-	643,471	643,471
Total transactions with owners	-	(643,471)	643,471	-
At 30 June 2019	287,827	2,063,247	(4,033,835)	(1,682,761)

The notes on pages 18 to 37 form part of these financial statements.

TALENT INTERNATIONAL (UK) LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 July 2019	287,827	2,063,247	(3,475,169)	(1,124,095)
Comprehensive income for the year				
Loss for the year	-	-	(123,175)	(123,175)
	-	-	(123,175)	(123,175)
Total comprehensive income for the year				
	-	-	-	-
Total transactions with owners				
	-	-	-	-
At 30 June 2020	287,827	2,063,247	(3,598,344)	(1,247,270)

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

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 July 2018	287,827	2,063,247	(3,478,271)	(1,127,197)
Comprehensive income for the year				
Profit for the year	-	-	3,102	3,102
	-	-	3,102	3,102
Total comprehensive income for the year				
	-	-	-	-
Total transactions with owners				
	-	-	-	-
At 30 June 2019	287,827	2,063,247	(3,475,169)	(1,124,095)

The notes on pages 18 to 37 form part of these financial statements.

TALENT INTERNATIONAL (UK) LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020**

	2020 £	2019 £
Cash flows from operating activities		
(Loss)/profit for the financial year	(227,576)	61,552
Adjustments for:		
Amortisation of intangible assets	522	29,825
Depreciation of tangible assets	45,541	44,788
Interest paid	191,916	227,063
Interest received	-	(19)
Decrease/(increase) in debtors	1,817,147	(238,952)
Increase/(decrease) in creditors	699,401	(596,534)
Increase/(decrease) in amounts owed to groups	193,429	(71,168)
Net cash generated from operating activities	2,720,380	(543,445)
Cash flows from investing activities		
Purchase of tangible fixed assets	(25,302)	(41,090)
Sale of tangible fixed assets	-	2,222
Interest received	-	19
HP interest paid	-	(1,242)
Net cash from investing activities	(25,302)	(40,091)

TALENT INTERNATIONAL (UK) LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2020

	2020 £	2019 £
Cash flows from financing activities		
Repayment of other loans	(50,000)	(180,000)
New finance leases	(6,072)	(6,072)
Interest paid	(191,916)	(225,821)
Movements on invoice discounting	(2,102,980)	774,883
Net cash used in financing activities	(2,350,968)	362,990
Net increase/(decrease) in cash and cash equivalents	344,110	(220,546)
Cash and cash equivalents at beginning of year	197,634	418,180
Cash and cash equivalents at the end of year	541,744	197,634
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	541,744	197,634

The notes on pages 18 to 37 form part of these financial statements.

TALENT INTERNATIONAL (UK) LIMITED

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 30 JUNE 2020**

	At 1 July 2019 £	Cash flows £	Other non- cash changes £	At 30 June 2020 £
Cash at bank and in hand	197,634	344,110	-	541,744
Debt due after 1 year	(520,874)	-	520,874	-
Debt due within 1 year	(2,675,569)	2,152,980	(520,874)	(1,043,463)
Finance leases	(7,590)	6,072	-	(1,518)
	<u>(3,006,399)</u>	<u>2,503,162</u>	<u>-</u>	<u>(503,237)</u>

The notes on pages 18 to 37 form part of these financial statements.

TALENT INTERNATIONAL (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

1. General information

Talent International (UK) Limited is a private company limited by shares and incorporated in England and Wales. Its registered office is First Floor, 138 Edmund Street, Birmingham, B3 2ES.

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 financial statements are prepared in Sterling (£), the functional currency of the Company.

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 judgement 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.

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.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 July 2014.

Due to the immaterial nature of Talent UK US Limited, it has been excluded from the 2020 and 2019 consolidation.

TALENT INTERNATIONAL (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

2. Accounting policies (continued)**2.3 Going concern**

The company is funded by a combination of loans from its parent company and an invoice discount facility.

Following the year end the company received additional CBIL funding via its main funder and reset its banking covenants.

Management have prepared forecasts to June 2022, which incorporate any further expected impact of Covid-19, and these forecasts indicate the entity will be able to continue to operate, within its existing facilities, for the foreseeable future and for at least 12 months from the date of approval of these financial statements.

The company has obtained written confirmation of support from its parent company for at least 12 months from the date of these financial statements. The company's parent has renewed its credit line during the year and facilities are now in place until 31 January 2022.

Based on the above, the Directors have concluded that it is appropriate to prepare the financial statements on going concern basis.

2.4 Associates and joint ventures

An entity is treated as a joint venture where the Group is a party to a contractual agreement with one or more parties from outside the Group to undertake an economic activity that is subject to joint control.

An entity is treated as an associated undertaking where the Group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

In the consolidated accounts, interests in associated undertakings are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investors share of the profit or loss, other comprehensive income and equity of the associate. The Consolidated Statement of Comprehensive Income includes the Group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the Group. In the Consolidated Statement of Financial Position, the interests in associated undertakings are shown as the Group's share of the identifiable net assets, including any unamortised premium paid on acquisition.

Any premium on acquisition is dealt with in accordance with the goodwill policy.

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Permanent placement revenue is recognised at the point in time when there is a high probability that revenue will be received for placing a candidate, this is typically when the candidate begins employment.

TALENT INTERNATIONAL (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

2. Accounting policies (continued)**2.6 Other income**

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure. Furlough income, which is a grant awarded by the government, is recognised in income in the periods in which the company recognises the related costs for which the grant is intended to compensate.

2.7 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 - website development

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:

Website development	-	10	years
Goodwill	-	5	years

2.8 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.

TALENT INTERNATIONAL (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

2. Accounting policies (continued)**2.8 Tangible fixed assets (continued)**

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:

Short-term leasehold property	- 20.0%
Fixtures and fittings	- 33.3%
Office equipment	- 33.3%

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.

2.9 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.10 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.

2.11 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. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

TALENT INTERNATIONAL (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

2. Accounting policies (continued)**2.12 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.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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.

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.

2.13 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.

TALENT INTERNATIONAL (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

2. Accounting policies (continued)**2.14 Foreign currency translation****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'.

2.15 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.16 Operating leases

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

The Group has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 July 2014 to continue to be charged over the period to the first market rent review rather than the term of the lease

TALENT INTERNATIONAL (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

2. Accounting policies (continued)

2.17 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.

2.18 Interest income

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

2.19 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

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

Preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for income and expenses during the year. However the nature of estimation means that actual outcomes differ from those estimates.

Information about the estimates and assumptions that have most significant effect on the recognition and measurement of assets, liabilities, income and expenses is provided below:

- Provision for bad and doubtful debtors: trade debtors are assessed individually for their recoverability and a provision is made against the balance if management determine there is uncertainty over whether the balance will be recoverable.

4. Turnover

The whole of the turnover is attributable to the principal activity of the group.

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	32,637,611	37,406,211
Rest of Europe	3,461,293	2,687,385
	<u>36,098,904</u>	<u>40,093,596</u>

TALENT INTERNATIONAL (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

5. Other operating income

	2020 £	2019 £
Other operating income	125,551	-

Grants received under the Government Coronavirus Job Retention Scheme.

6. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

	2020 £	2019 £
Depreciation of tangible fixed assets	45,541	44,788
Amortisation of intangible assets, including goodwill	522	29,825
Exchange differences	(404)	22,692
Other operating lease rentals	13,034	16,904

7. Auditor's remuneration

	2020 £	2019 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	32,000	35,500
Other services relating to taxation	6,350	6,300
	38,350	41,800

8. Employees

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

	Group 2020 No.	Group 2019 No.	Company 2020 No.	Company 2019 No.
Office, administration and directors	84	95	83	93

TALENT INTERNATIONAL (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Wages and salaries	4,552,363	5,102,806	4,536,842	4,994,861
Social security costs	564,616	616,361	563,159	605,031
Cost of defined contribution scheme	172,453	190,174	171,244	184,071
	<u>5,289,432</u>	<u>5,909,341</u>	<u>5,271,245</u>	<u>5,783,963</u>

9. Directors' remuneration

	2020 £	2019 £
Directors' emoluments	<u>209,640</u>	<u>222,000</u>

The highest paid director received remuneration of £191,144 (2019: £222,000).

10. Interest receivable

	2020 £	2019 £
Other interest receivable	<u>-</u>	<u>19</u>

11. Interest payable and similar expenses

	2020 £	2019 £
Bank interest payable	93,261	93,541
Other loan interest payable	87,500	127,136
Finance leases and hire purchase contracts	1,242	1,242
Other interest payable	9,961	5,144
	<u>191,964</u>	<u>227,063</u>

TALENT INTERNATIONAL (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

12. Taxation

	2020 £	2019 £
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	-	8,889
Adjustments in respect of prior periods	-	(8,889)
Total deferred tax	-	-
Taxation on profit on ordinary activities	-	-

Factors affecting tax charge for the year

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

	2020 £	2019 £
(Loss)/profit on ordinary activities before tax	(227,576)	61,552
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	(43,239)	11,695
Effects of:		
Fixed asset differences	1,159	957
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	12,813	13,449
Group relief surrendered/(claimed)	24,166	-
Adjustments in respect of prior periods	-	(8,889)
Adjust closing deferred tax to average rate	-	(1,141)
Deferred tax not recognised	5,101	(16,071)
Total tax charge for the year	-	-

Trading losses carried forward at the year end amounted to £3,559,652 (2019: £3,705,873). Deferred tax assets not recognised relating to brought forward losses amounted to £676,333 (2019: £626,327). These will be redeemed against future profits.

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

TALENT INTERNATIONAL (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

12. Taxation (continued)**13. Intangible assets****Group and Company**

	Website development £	Goodwill £	Total £
Cost			
At 1 July 2019	10,665	164,089	174,754
At 30 June 2020	10,665	164,089	174,754
Amortisation			
At 1 July 2019	10,078	164,089	174,167
Charge for the year on owned assets	522	-	522
At 30 June 2020	10,600	164,089	174,689
Net book value			
At 30 June 2020	65	-	65
At 30 June 2019	587	-	587

Goodwill relates to the trade and assets acquired in the business combinations involving Hunter Charles Limited and Talent International City Limited.

TALENT INTERNATIONAL (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

14. Tangible fixed assets**Group**

	Short-term leasehold property £	Fixtures and fittings £	Office equipment £	Total £
Cost				
At 1 July 2019	30,552	66,133	179,470	276,155
Additions	-	-	25,302	25,302
At 30 June 2020	<u>30,552</u>	<u>66,133</u>	<u>204,772</u>	<u>301,457</u>
Depreciation				
At 1 July 2019	13,694	38,809	123,300	175,803
Charge for the year on owned assets	5,200	11,006	29,335	45,541
At 30 June 2020	<u>18,894</u>	<u>49,815</u>	<u>152,635</u>	<u>221,344</u>
Net book value				
At 30 June 2020	<u>11,658</u>	<u>16,318</u>	<u>52,137</u>	<u>80,113</u>
At 30 June 2019	<u>16,858</u>	<u>27,324</u>	<u>56,170</u>	<u>100,352</u>

TALENT INTERNATIONAL (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

14. Tangible fixed assets (continued)**Company**

	Short-term leasehold property £	Fixtures and fittings £	Office equipment £	Total £
Cost				
At 1 July 2019	30,552	66,133	171,729	268,414
Additions	-	-	25,301	25,301
At 30 June 2020	<u>30,552</u>	<u>66,133</u>	<u>197,030</u>	<u>293,715</u>
Depreciation				
At 1 July 2019	13,743	38,809	120,221	172,773
Charge for the year on owned assets	5,200	11,006	27,949	44,155
At 30 June 2020	<u>18,943</u>	<u>49,815</u>	<u>148,170</u>	<u>216,928</u>
Net book value				
At 30 June 2020	<u>11,609</u>	<u>16,318</u>	<u>48,860</u>	<u>76,787</u>
At 30 June 2019	<u>16,809</u>	<u>27,324</u>	<u>51,508</u>	<u>95,641</u>

TALENT INTERNATIONAL (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

15. Fixed asset investments**Group**

	Investment in Mindsauce Ltd £	Investment in joint ventures £	Total £
Cost			
At 1 July 2019	10,002	374	10,376
At 30 June 2020	10,002	374	10,376
Net book value			
At 30 June 2020	10,002	374	10,376
At 30 June 2019	10,002	374	10,376

TALENT INTERNATIONAL (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

15. Fixed asset investments (continued)**Company**

	Investments in subsidiary companies £	Investment in Mindsauce Ltd £	Investment in joint ventures £	Total £
Cost				
At 1 July 2019	22,986	10,002	374	33,362
At 30 June 2020	22,986	10,002	374	33,362
Net book value				
At 30 June 2020	22,986	10,002	374	33,362
At 30 June 2019	22,986	10,002	374	33,362

Direct subsidiary undertakings

The following were direct subsidiary undertakings of the Company:

Name	Principal activity	Class of shares	Holding
Talent Outsourcing Solutions Limited	Recruitment agency	Ordinary	100%
Avec Global UK Limited	Recruitment agency	Ordinary	100%
Talent International B.V.	Recruitment agency	Ordinary	100%
Talent International GmbH	Recruitment agency	Ordinary	100%
Talent Engage Limited	Dormant	Ordinary	100%

Participating interests**Joint Ventures**

Talent International (UK) Limited also owns 50% of the ordinary share capital of Talent UK US Inc. The company's principal activity is that of a recruitment agency.

TALENT INTERNATIONAL (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

16. Debtors

	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Trade debtors	3,488,087	5,592,175	3,289,549	4,946,151
Amounts owed by group undertakings	73,408	107,993	491,980	781,786
Other debtors	148,702	142,907	138,420	135,457
Prepayments and accrued income	196,443	325,486	292,893	319,903
	<u>3,906,640</u>	<u>6,168,561</u>	<u>4,212,842</u>	<u>6,183,297</u>

An impairment loss of £Nil (2019: £Nil) was recognised against trade debtors.

17. Cash and cash equivalents

	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Cash at bank and in hand	541,744	197,634	457,669	188,348

TALENT INTERNATIONAL (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

18. Creditors: Amounts falling due within one year

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Loan notes	570,874	100,000	570,874	100,000
Trade creditors	2,962,006	2,990,057	2,823,800	2,678,410
Pension creditor	15,786	21,010	15,786	21,010
Amounts owed to group undertakings	531,707	425,812	202,686	425,812
Other taxation and social security	1,168,145	638,647	1,130,548	635,614
Obligations under finance lease and hire purchase contracts	1,518	6,072	1,518	6,072
Invoice discounting	472,589	2,575,569	459,992	2,300,675
Accruals and deferred income	726,650	880,712	822,791	935,345
	6,449,275	7,637,879	6,027,995	7,102,938

The amount advanced by the invoice discounters is secured by a fixed and floating charge on the company's assets. The invoice discounting facility is uncommitted and due for renewal in March 2021.

Included in amounts owed to group undertakings is £531,707 (2019: £425,812) due to Talent International Holdings PTY Limited, a company incorporated in Australia and a shareholder of Talent International (UK) Limited. These amounts incur no interest, are unsecured and are repayable on demand.

Loan notes falling due within one year incur interest at a rate of 8% and 11% plus Libor. The loan notes are unsecured and due for repayment in May 2021. Of the total balance £450,000 is due to Talent International Holdings PTY Limited and the remaining £120,874 is due to a Director, John Butterfield.

19. Creditors: Amounts falling due after more than one year

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Loan notes	-	520,874	-	520,874
Net obligations under finance leases and hire purchase contracts	-	1,518	-	1,518
	-	522,392	-	522,392

TALENT INTERNATIONAL (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

20. Loans

	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Amounts falling due within one year				
Loan notes	570,874	<i>100,000</i>	570,874	<i>100,000</i>
Amounts falling due 2-5 years				
Loan notes	-	<i>520,874</i>	-	<i>520,874</i>
	570,874	<i>620,874</i>	570,874	<i>620,874</i>

21. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Within one year	-	<i>6,072</i>	1,518	<i>6,072</i>
Between 1-5 years	-	<i>1,518</i>	-	<i>1,518</i>
	-	<i>7,590</i>	1,518	<i>7,590</i>

TALENT INTERNATIONAL (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

22. Financial instruments

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Financial assets				
Financial assets measured at fair value through profit or loss	5,951,393	6,204,328	5,390,044	6,051,742
Financial liabilities				
Other financial liabilities measured at fair value through profit or loss	(570,874)	(620,874)	(570,874)	(620,874)
Financial liabilities measured at amortised cost	(4,777,583)	(6,893,160)	(4,325,055)	(6,361,252)
	(5,348,457)	(7,514,034)	(4,895,929)	(6,982,126)

Financial assets measured at fair value through profit or loss comprise cash and cash equivalents, trade debtors, amounts owed by group undertakings and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, amounts owed to group undertakings, pension creditors, invoice discounting and accruals and deferred income.

Loan notes are measured at fair value through profit and loss.

23. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
28,782,732 (2019: 28,782,732) Ordinary shares of £0.01 each	287,827	287,827

24. Reserves**Share premium account**

Includes any premium received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Profit and loss account

Includes all current and prior period retained profits and losses.

TALENT INTERNATIONAL (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

25. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £172,453 (2019: £190,174). Contributions totalling £15,786 (2019: £21,010) were payable to the fund at the balance sheet date and are included in creditors.

26. Commitments under operating leases

At 30 June 2020 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Within 1 year	67,058	526,621	67,058	526,621
Between 2 and 5 years	46,550	113,608	46,550	113,608
	113,608	640,229	113,608	640,229

27. Related party transactions

The Company has taken advantage of the exemption available under FRS 102 'Related Party Transactions' from disclosing related party transactions with other group entities that are wholly owned.

Transactions with directors

£120,874 (2019: £170,874) is due to J Butterfield, a director during the period, for loan notes issued during the prior year.

Key management personnel

The cost to the company of individuals that are considered to be key management was £239,476 (2019: £281,355).

28. Ultimate parent undertaking and Controlling party

The company is a subsidiary of Talent International Holdings Pty which is its ultimate parent and ultimate controlling related undertaking.

Talent International Holdings Pty, a company incorporated in Australia, is the ultimate holding entity for this company.

Talent International (UK) Limited is included within the consolidation results of Talent International Holdings Pty. Copies of the financial statements can be obtained from 201 Elizabeth Street, Sydney, NSW 2000.

