All Things Considered Group Plc

Annual Report & Accounts 2021

About ATC Group

All Things Considered (the ATC Group Plc) is an independent music company housing talent management, live booking, livestreaming and talent services within the same group. The Group's growth has accelerated in recent years with a substantial increase in revenue being delivered despite the challenges of Covid related lockdowns.

The Group is headquartered in London, with offices in Los Angeles, New York and Copenhagen. ATC Group Plc is led by a very experienced management team who have operated across multiple music industry sectors.

The Group has an established, long-standing client base which, together with innovative new offerings, gives the Directors confidence that the company is well positioned to capitalise on the opportunities emerging from a disrupted music industry.

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Financial Highlights

- Performance in line with management expectations
- Revenue increased 28% to £9.1m (2020: £7.1m)
- Revenue and other operating income increased 37% to £10.3m (2020: £7.5m)
- Adjusted loss before tax* (and before non-controlling interest) of £2.7m (2020: loss of £0.3m), partly due to a non-recurring loss in H1 2021 resulting from a technical outage at the Glastonbury 'Live at Worthy Farm' livestreamed event which was disrupted by some technical issues caused by a third-party supplier. This resulted in customer refunds and a reduction in ticket sales
- Adjusted loss before tax* for H2 2021 of £0.1m, demonstrating a solid performance during the prevailing Covid-constrained environment
- Improved cash position with net cash, after short term debt, of £4.4m as at 31 December 2021 (2020: £1.6m)

*adjusted loss is the loss before tax adjusted to exclude £0.6m of IPO and related costs

Operational Highlights

- £2m strategic investment by Deezer into Driift, the Group's pay-per-view livestreaming service, and five-year exclusive collaboration arrangement with Dreamstage to leverage technical and commercial potential
- Significant number of new clients added to ATC's Management and Live Agency rosters, despite market disruption from Covid-related restrictions
- Strengthened Board and management team, including appointment of CFO post period end, providing capacity to scale
- Further expansion into North American market with addition of new services and larger footprint, including opening of New York office post period end
- Milestone listing on the Apex segment of the AQSE Growth Market in December 2021, providing funding for further organic and acquisitive growth

Current Trading and Outlook

- Performance in line with management expectations with good momentum into 2022
- Significant upturn in live music activity following relaxation of Covid-19 restrictions, benefitting ATC's Live Agency and Management divisions
- Strong and growing pipeline for the Group's evolving hybrid live performance format delivered by Driift expected to generate higher margin business going forward. Exemplified by the Little Mix direct from the O2 livestream which generated substantial livestream ticket sales alongside a broadcast into cinemas that was number 5 in that weekend's UK cinema charts

Market overview

The global music industry is a multi-billion dollar market undergoing significant disruption brought about by technological innovations, changing consumer demands and a rebalancing toward ‘empowered-artists.’ The impact of COVID-19 served to accelerate many of these trends as traditional consumption behaviour was challenged.

According to IFPI, the organisation that represents the recorded music industry worldwide, the global recorded music market grew by 7.4%. in 2020, the sixth consecutive year of growth. This was principally driven by streaming, especially by paid subscription streaming revenues, which increased by 18.5 per cent. Total streaming (including both paid subscription and advertising-supported) grew 19.9 per cent. and reached US$13.4 billion, or 62.1 per cent. of total global recorded music revenues. In the prior year 2019, streaming revenue for the first time accounted for more than half of global recorded music revenue. Streaming represented more than half of revenues in 48 markets worldwide, an increase of 12 markets from 2019.

The continued growth in streaming revenues in 2020 more than offset the decline in other formats’ revenues, including physical revenues which declined 4.7 per cent. and revenues from performance rights which declined 10.1 per cent. as the COVID-19 pandemic impacted public performance revenues, interrupting more than a decade of continuous growth in this sector.

The USA, Japan and UK were the top music markets in 2020. The US market grew 7.3 per cent. in 2020, a slower rate than in 2019. Streaming revenues were up by 12.9 per cent., driven by an increase in subscription revenues of 13.4 per cent. The US again provided a greater contribution to global revenue growth than any other market. The UK had a sixth year of consecutive growth and maintained its position as the third biggest market by revenue worldwide. A 2.2 per cent. increase in revenue was driven by growth of 15.4 per cent. in streaming revenues. Revenues for all other consumption formats declined.
Sources: IPFI Global Music Reports 2021 and 2020.

Global recorded music industry revenues 2001-2020 (US$ billions)
Source: IFPI Global Music Report 2021

In the live sector, Statista showed worldwide revenue of US$28.87 billion in 2019 with annual growth from their 2014 figure of US$24.15 billion (comprising both live music sponsorship and live music tickets sales). In 2020, this dropped to US$10.42 billion. Statista has forecast a return to growth in 2022 with a forecast market size of US$29.31 billion after falls in 2020 and 2021 associated with the curtailing of live performance during the pandemic.

Goldman Sachs’ ‘Music in the Air’ report dated 14 May 2020 forecast a short-lived COVID-19 pandemic slump and forecast global music revenues being propelled to new highs in the near future. The report forecast overall industry sales growing from their total figure of US$77 billion in 2019 to US$143 billion in 2030. The report pointed out that 82% of 16-34 year olds in the US said that they used music streaming services while 74% of concert fans said they would continue to watch live streaming events even after physical streaming resumed.

Group overview

ATC Group is a prominent independent UK music company with strong business focus in the key commercial areas of the music industry. The Group encompasses live rights, live agency, production, artist management and investment and a range of other music artist services. The Group is headquartered in London, with offices in Los Angeles and Copenhagen and a new office base in New York which opened in March 2022.

We are the only independently owned company in the industry housing talent management, live booking, livestreaming and talent services within the same group. Unlike the traditional 'silo' approach used in the music industry, which is characterised by many small providers often singularly focused on the delivery of one service, the Company's holistic model enables our Group to be more invested in and integrated with an artist's overall business. This provides the opportunity to generate greater commercial opportunities and potential new business developments across a range of consumer sectors.

The disruption of the music market as a result of the COVID-19 pandemic has provided an opportunity for the Group to use its comprehensive set of business units to deliver new service offerings. The new funding provided by the IPO is giving further impetus to this. The Group's broad range of music industry operations enabled it to continue to grow its top line revenue in 2021 despite the wider market challenges noted above.

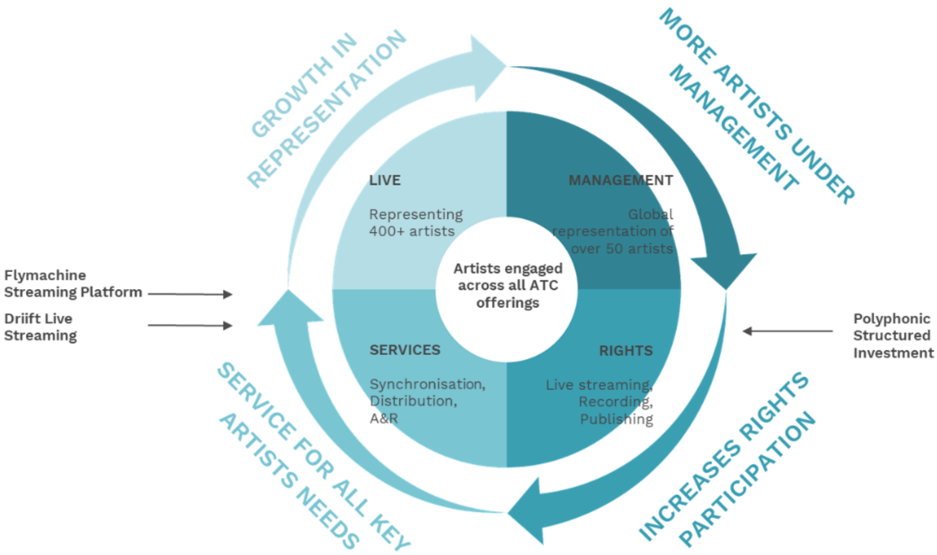
Key to ATC's resilience is its well-established, long-standing client base. This has come about as a result of patient years of development and we can now boast over 60 artists on our management roster and over 400 acts on our live roster.

In the summer of 2020 the Group established the music streaming business Driift as a response to the COVID-19 pandemic and as a mechanism to generate income opportunities for its clients in a market that had seen much of the traditional revenue make up disappear. Driift quickly established itself as a well-known player in this rapidly evolving sector and in August 2021, we raised £2 million of new investment into our Driift subsidiary from Deezer S.A. at a pre-money valuation of £10 million and entered into a 5 year exclusive collaboration arrangement with streaming platform Dreamstage to fully leverage the technical and commercial potential of each streaming event. This was a significant development for this subsidiary and it positions Driift well for the sustained growth that we expect to see in the global live streaming market.

All industry income is ultimately derived from the activities of the artist and the move to being in business across all revenue categories with 'empowered creators' is, in our view, likely to be a continuing industry trend. The Group's business units have been developed with the strategic goal of ensuring that the Group has the opportunity to be at the forefront of this evolution.

The Group's various business interests have been constructed to enable music artists to engage via specific services or to take a more integrated approach. The ATC Flywheel reproduced below is a pictorial representation of the Group's approach to developing business with artists. An artist may initially be contracted to a single Group service such a live representation or artist management services. However, once engaged, the artist is made aware of the wider Group business units and has the opportunity, but not the obligation, to engage in other service offers. Ultimately the relationship between Group and artist can evolve such that the artist is engaged across all the Group's offerings and a genuine 'creative/business partnership' arrangement is delivered. This is represented by the flywheel 'bullseye' below.

ATC Flywheel – Integrated Model



Overview of principal activities

The Group's business is managed as follows:

Artist management and development

- ATC Management - artist management;
- ATC Live – live event booking agency for artists;
- ATC Services;
- Polyphonic - an artist partnerships venture.

Livestreamed events

- Driift, a global livestreaming business, and Flymachine, a livestreaming platform;

ATC Management

At ATC Management we guide the careers of a broad roster of over 60 artists, from internationally known artists with substantial revenues alongside new development artists with more limited income and smaller fan bases. The company represents critically acclaimed career artists such as Nick Cave and the Bad Seeds, Thom Yorke, PJ Harvey, Faithless, and Johnny Marr, through to successes like Sleaford Mods and younger developing artists. ATC Management also represents film and TV soundtrack composers, including Isobel Waller-Bridge, Ben Frost and Brendan Angelides.

In Europe, ATC Management delivered growth across its artist, writer, producer and composer rosters. The division began managing hotly-tipped West African pop star Amaarae and took on the management of The Smile in April 2021, formed of Radiohead's Thom Yorke and Jonny Greenwood, with drummer Tom Skinner – the first global view of the band was as part of Driift's Glastonbury livestream. Another client, 22-year old Billie Marten, released her third album, Flaura Fauna, in May 2021 which received widespread critical acclaim.

2021 has been the most successful year to date for the division in terms of artist signings in the USA with the artist management business now representing 10 clients. ATC Management added five artists, three of which joined after highly competitive pitch processes, and is engaged in a number of pitching processes for several artists. Two of the newly signed artists, Cuco and Hayley Kiyoko have a combined monthly listener base of 7.5 million on Spotify alone.

ATC Live

ATC Live currently comprises a team of 15 agents plus support staff working across offices in London, Glasgow and Paris with a global partnership arrangement with a new US agency, Arrival Artists, extending the company's offering. This arrangement creates an independent agency structure facilitating dynamic global representation for shared clients.

ATC Live was created to provide artists with a new style of representation, based on seeking to deliver the artists' goals with a high level of creative and strategic thinking and the Directors consider that the continued growth of the roster is demonstration of the success of this approach. 71 new clients were signed to the roster in 2021.

2021 was a challenging year for the division as COVID-19 continued to impact the live sector. However, clear improvements were apparent in the final quarter of the year with multi-territory tours taking place for key ATC Live artists including Nick Cave (October 2021), Black Pumas (November 2021) and Black Country New Road (November 2021). Nick Cave's tour sold over 40,000 tickets across the UK and EU, including sold out performances at the Royal Albert Hall and the Salle Pleyel hall in Paris.

ATC Services

The Group's business based in the USA continued to expand its range of offerings in the market to enable it to provide services to both its own management clients and to third parties.

On 12 February 2021, the Group acquired an additional 51 per cent. in Your Army USA for it to become a wholly-owned subsidiary within the Group. Your Army USA is headquartered in Los Angeles and is one of the leading electronic music promotions companies in the USA. Whilst sharing the same name as Your Army Ltd in the UK (the former partner with ATC in the North American business prior to the buy-out in February 2021), Your Army USA operates as a completely separate concern. Your Army USA works directly for a number of commercially successful artists, such as Disclosure, Major Lazer, Wretch 32, Duke Dumont and Roni Size, alongside delivering campaigns for major labels including Warner Music and Universal.

The Group also owns a 55 per cent. equity interest in Familiar Music, a synchronisation agency which puts its clients' music in front of key music buyers including producers, directors, game designers, advertising agencies and more. During 2021 the company placed clients' work with a host of substantial 'broadcasters' including Apple, Google and Netflix.

Polyphonic

Polyphonic is the division where the Group seeks to bring together all the strands of its services to offer appropriate artists the option of a full partnership. The Polyphonic model underwrites the development of the business and creative processes and shares the benefits accruing across the entire artist business between the artist as the creator and performer and Polyphonic as the funder (on a sole or joint basis) and business operative. It has been designed to give talent opportunities to accelerate success. Frank Carter and the Rattlesnakes was the sole partner in a Polyphonic deal structure during 2021. The band's fourth album, entitled Sticky, was released in October 2021 to good rankings and reviews and this has set up a successful start to a UK and European tour with a host of dates being booked all through 2022 and 2023.

Livestreamed events

In the fast-growing pay-per-view livestreaming market, Driift continued to set itself ahead of the market by delivering globally significant events such as Glastonbury's 'Live at Worthy Farm'. The show was a critical success and has been a recipient of a Royal Television Society Award and a Bafta. Unfortunately, a technical issue with a third-party service provider on the evening of the livestream had a significant economic impact upon the event. Nevertheless, the success of Driift in establishing itself as a key player in the market was recognised in August 2021 when Driift Holdings raised £2 million of new investment at a pre-money valuation of £10 million. Following that investment, the Group now holds a 52 per cent. equity ownership of Driift, with an ability to increase that to 55.5 per cent. Prior to 31 December 2022 through the exercise of an option to acquire a number of Driift shares from Ric Salmon, the co-founder and CEO,

The £2 million investment was made by Deezer S.A. Deezer is a global streaming service headquartered in France with 16 million monthly active users. The investment by Deezer brings substantial strategic advantages, including the opportunity to market Driift livestream events to Deezer's growing user base.

At the end of 2021, via an arrangement with Tencent, Driift produced and directed a for-mobile performance for Westlife that attracted a record-breaking online audience of 28 million concurrent viewers in China alone

ATC Group also holds investment stakes in namethemachine and Flymachine with significant developments for both businesses during 2021.

Namethemachine is a software and media development company with a focus on emerging technology and transmedia solutions. During 2021 the company has built a fully immersive game-engine designed environment for globally recognized artists Radiohead. Developed in association with leading software developer and publisher Epic Games, using their Unreal Engine platform, namethemachine delivered a first for the platform with the launch of a non-game application on the Epic Game Store. The application delivered access to a digital Radiohead exhibition which launched in November 2021 and generated over 6 million downloads within weeks of being available. ATC generates income both from the revenues attributed to its management client and as a participant in the income generated by the exhibition. This type of digital experience will be an area for further Group development.

Flymachine is a VC-backed livestreaming platform with a focus on communal and social interaction, with a beta version that was demonstrated in May 2021 followed by a first public streamed event hosted on the platform in June 2021. ATC currently holds a 5.4 per cent. equity investment, which is held through the Company's subsidiary, Live X LLC. This is a further example of ATC's philosophy of being in partnership with the creative talent that drives the economics and revenues of the music entertainment sector.

Business model and strategy

The Group's fully integrated service offering and 'empowered creators' ethos has been constructed in opposition to the traditional 'silo' approach used in the music industry. Historically, the revenue streams delivered by a creative music artist or live performer have been treated as largely separate commercial items which have generated multiple partnerships for their delivery. As a result, income from recordings, live performance, merchandising, publishing, live streaming and sponsorships have each been handled by companies specialising in one area of activity, one of the 'silos'.

The Group has developed a broader model to enable artists to take an integrated approach to rights creation and financial remuneration by combining many of the 'silos' within the Group and offering artists the ability to engage across some or all of the services offered.

This integrated model is ideally positioned in an industry where artists are increasingly looking to have greater control over their commercial interests. As stated at the time of the Group's IPO, it is the Director's opinion that being more invested in (and integrated with) an artist's overall business will enable the Group to be a venturing partner with creative artists, generating greater commercial opportunities and potentially new business developments across a range of consumer sectors.

The benefits of this strategy are bearing fruit. Driift has been a recent example of such potential developments with the early pilot shows by respected artists managed by the Group providing the launch pad for a business that has now established globally, delivering events with renowned partners, such as Glastonbury, Spotify, Tencent and Deezer.

The Group will continue to develop its key business units to continue delivering these opportunities. The COVID-19 pandemic has been a significant disruptor of the music industry globally and the Directors believe that this disruption will present opportunities for growth.

At ATC Live and ATC Management there are opportunities to bring in new agents and managers either by offering a secure and stable company environment to those who are in COVID-19 affected businesses, alongside acquisition opportunities. Funds raised from the IPO in December 2021 provides the Group with greater flexibility and capacity for further organic and acquired growth.

The digital market continues to bring new opportunities to creative artists and the Group will aim to be at the forefront of these developments. Driift has already established a significant position in the pay-per-view livestreaming space and the Directors will seek global partnerships to establish further reach for Driift's content. The agreement with Dreamstage will enhance the offering and will move Driift further into the direct-to-consumer space.

Elsewhere in the digital market, the growth of distributed ledger technology (or blockchain) is beginning to impact the music market. Initially this is being demonstrated via the commercial opportunities offered by non-fungible tokens (NFTs) which give creators a new route to commercialise their work in the digital world and the Group has been experimenting in the space with some of its artist clients. While it is early days in this arena, it is likely that blockchain/NFTs will have an impact on the holding and distribution of copyrights in the medium and long-term and the Group's integrated business model with artist clients will see benefit from the 'everything under one roof' approach as this technology becomes more prevalent.

The Group's established footprint provides scale and new opportunities for continued expansion.

Geographically, the Group is headquartered in the UK with a presence in Los Angeles and New York. The Los Angeles office is now affording a stronger push into the growing Latino market whilst the ownership of Your Army USA is giving the Group a developing position in the electronic music market across the USA and building further into these broad genres will be a continuing aim of the Group.

Additionally, the live music market has been badly disrupted by the COVID-19 pandemic. In the Directors' opinion, the cancellation of live festival events for two consecutive years in some cases will likely lead to new opportunities to develop new festivals in future years. The Group's strong live agency business and the management's previous experience in the live sector will lead to a new strategic focus on artist-led events where the Group could seek to take ownership stakes and build value.

Co-Chairs' Statement

We are pleased to present our first Annual Report and Accounts as a listed business, reporting on a year of significant milestones and solid growth. The results achieved reflect both the challenges and opportunities that came with 2021. Despite the impact of COVID-19 restrictions on the earnings potential for our Live Agency and Artist Management divisions, the early-mover establishment of Driift proved a strategic success, driving overall Group sales growth of 28% compared to the prior year.

The Group ended the year in an improved cash position following two significant rounds of investment: the IPO, together with a Deezer investment of £2m into Driift. This provides the Group with greater resources and flexibility to pursue its organic and acquisitive growth strategy as trading conditions normalise through 2022.

People

It was pleasing that we were able to retain the services of nearly all of the Group's dedicated employees during the pandemic and strengthen the senior management team in readiness for the IPO. It is a testament to everyone in the Group that we ended two tough years in a significantly better place and our thanks go out to all our people.

In particular, it would be remiss not to thank the Group's CEO, Adam Driscoll as he was instrumental in attracting investment into the business and getting the Group prepared for a public listing.

Board and Governance

In preparation for the IPO we established a new Board and implemented governance procedures appropriate for a listed business. We welcomed Andy Glover and Shirin Foroutan to the Board as non-executive directors who bring strong experience across finance and the music industry. Post the listing of the Group on AQSE the Board was further enhanced by the recruitment of our Chief Financial Officer, Ram Villanueva. We have established a good working relationship across the Board and the Group is beginning to see the benefits of our collaboration.

Summary and Outlook

Despite the significant consequences to the music sector of COVID-19 lockdown strategies, the Group closed 2021 in a stronger position with a strengthened operating platform, a further diversified offering and an enhanced geographic reach.

Worthy of note is the foothold the Group has established in the important North American market. The office in Los Angeles increased its management footprint, opened up the important promotion business through the acquisition of 100 per cent. interest in Your Army USA (a US-based electronic promotions business) and established digital technology capability through the development of namethemachine (a software and media development company with a focus on emerging technology and transmedia solutions). The opening of an office in New York in early 2022 is an important step, not just for accessing the East Coast USA market but also for signalling the Group's intent generally.

Driift continues to mature and evolve its business model now that fans are able to return to watching live music in person. The Smile's 'Full Circle' show performed and recorded at the end of January 2022 proved to be an important watershed moment for Driift, a concept that took in ticket purchasers from both around the world to watch remotely and locally in-person.

The US and UK markets were the first to properly open up to live touring with the EU lagging a couple of months behind. Whilst this impacted the Group's first quarter, the important summer festival season is largely untouched and we are confident that the autumn touring season will not suffer as it did in 2021. Whilst business is returning to normal, it is worth noting that the two-year gap in touring as a result of the COVID-19 pandemic has created a short-term over-supply of talent which is allowing promoters to competitively price their offers. Ticket sales are yet to return to their pre-COVID-19 levels for many shows, not just because of the oversupply but also because there is still some fan nervousness to purchase.

Against this backdrop, the strength of the Group's proposition, unique holistic approach and pipeline of opportunities enables the Board to be confident in continued growth for ATC Live and ATC Management in the current year. Both divisions are looking to add executive talent to strengthen their propositions and are focused on attracting established artists to their rosters, as well as growing and breaking new acts.

Importantly, the 10-person executive management team is working well together and is committed to the Group's future. As the market recovers from the last two years this will help us win new business and continue our growth. The team is well diversified in respect of gender and race and we are committed to ensuring that balance of representation is maintained as we expand.

Brian Message and Craig Newman
Co-chairs

27 June 2022

CEO Review

Overview

The Group's resilient business model and embedded culture of innovation was demonstrated throughout 2021, a year that challenged the global music industry with the effects of the COVID-19 pandemic. The Group delivered solid turnover growth, despite the substantial downturn in revenues in the industry as a whole.

The Group's performance was achieved through the continued development of our livestreaming business alongside the great work delivered by our artist management and artist services' divisions. At ATC Live, our live agency business, the gradual removal of restrictions around live events in the second half of the year is delivering growth in 2022 and beyond. The completion of our IPO in December was a substantial achievement and has positioned the Group for growth and expansion over the coming years.

Key operational highlights for 2021 included the production and delivery of the global livestream of 'Live at Worthy Farm' which was the livestream replacement of the COVID-19-cancelled 2021 edition of the Glastonbury Festival; the acquisition of the remaining 51 per cent. stake in Your Army in North America that wasn't previously held by the Group; the investment by Deezer of £2m into the Driift business; the delivery of the ground-breaking Kid Amnesiac Radiohead project in conjunction with Epic Games (a first for the platform with the launch of a non-game application on the Epic Game Store. The application delivered access to a digital Radiohead exhibition which generated over 6 million downloads within weeks of being available); the addition of a significant number of new clients to our management and live agency rosters; and the growth of our composer division. 2022 has continued to see substantial Group-wide developments which are detailed below.

We successfully completed our IPO on December 21, 2021 with admission onto the Aquis Growth Market in London. The IPO was supported by both institutional and retail investors and the Company raised a total of £4.15 million (before expenses). The net proceeds are being used to invest into each of ATC's five business divisions and to support the Directors' growth strategy for the Group. As the fundraising was completed only 10 days before our financial year end, the results reported here were effectively delivered ahead of the Group bringing in the new financing which is set to spur future growth and development.

I am very pleased that our management team remains so well represented in the shareholder table. Our executive board directors and senior managers held 42 per cent. of the shares as at 31 December 2021.

Current Trading

The completion of the IPO in the final days of 2021 gave the Group a great opportunity to start 2022 with a huge sense of positivity and ambition. The first few months of the year have continued in the same spirit and we are seeing good developments in our existing businesses and some clear opportunities to broaden their scope and reach. Additionally, strong new partnerships are emerging for the Group that will further strengthen our position as the music industry experiences further digital transformation in the coming years.

As part of those developments we have been quick to strengthen our management team and I was delighted to welcome Rameses Villanueva to the Board as Group CFO on 28 February 2022 to provide support for the next stage of the growth strategy.

Reassuringly, the live music industry is continuing to see a significant upturn in activity following the relaxation of COVID-19 restrictions and, as a result, ATC's Live agency and Management divisions are benefitting.

At ATC Management, hotly tipped band The Goa Express joined the roster while 2021 additions, The Smile and

Amaarae, have made a strong impact in 2022 with successful tours, music releases and sold-out shows.

At ATC Live we have seen 93 new clients join the roster since the beginning of 2021 including Nation of Language, Connie Constance and Billy Nomates and many of our existing clients have won industry plaudits. At SXSW, a leading international industry event in Texas, ATC Live clients won the prestigious Grulke prizes for both US and International artists, while at The Great Escape festival in the UK, The Times' review of the event listed '5 key artists to watch' – 4 of which were represented by ATC Live. Business indicators are increasingly strengthening; in three consecutive weeks in January and February, three of ATC Live's clients achieved Top 3 UK album chart status in the week of release. Whilst the re-establishment of the live market is a work in progress in 2022, navigating differing international restrictions and customer caution, the longer-term view remains very positive.

The Group's livestreaming division, Driift, successfully delivered the first of its 'Full Circle' events in January with ATC Management client 'The Smile' which garnered a number of '5 star' reviews and wide audience acclaim. This new hybrid format brought together a live ticketed audience in a bespoke venue designed specifically for a global livestreaming audience and demonstrated that Driift can benefit from a diversified revenue mix, as the Directors anticipated. This format is expected to generate higher margin business for Driift, and further demonstrates that the Company remains at the forefront of the evolution of the growing livestreaming sector. More recently Driift delivered a livestream for Little Mix direct from the O2 and generated substantial numbers of livestream tickets alongside a broadcast into cinemas that saw the company take the number 5 position for that weekend's UK cinema charts.

Since its inception in mid 2020 Driift has now sold over 600,000 tickets across over 190 countries around the world. We continue to see substantial interest from globally recognised artists who are looking to integrate a livestream into their more traditional business activities and recent partnerships with organisations like the Tate Museums continue to show that this innovative format will continue to be a growth sector for the music industry.

Our service businesses are trading in line with management expectations and are seeing growth as the global music market emerges from the challenges of the pandemic. The Group recently opened an office in New York to facilitate the continued expansion of the US management and services businesses.

We announced on 7 April 2022, that following receipt of a short-term promissory note loan of $6m, the Group had made a minority investment into a newly formed company, alongside a number of other parties. The funding group's total investment of $80m enabled the new venture to acquire Napster, with the aim of bringing blockchain and web3 to artists and fans via future developments in the Napster business. Our equity interests in the newly formed company were subject to a pledge in favour of the lender, as sole security against ATC's obligations under the loan arrangement. The recent volatility in the crypto markets has led us to reassess the Company's capacity to refinance the original loan. We have therefore taken the decision to hand back our equity interests to the original loan holder with negligible financial impact to the Group. We continue to believe that blockchain technology and non-fungible tokens (NFTs) will increasingly have an impact on the holding and distribution of copyrights in the medium and long term and we continue to have an option to invest into the new Napster venture. It is beneficial to us to be able take a little more time to assess the landscape and determine what level of participation might be achievable whilst also taking stock of other opportunities that are being presented in this space.

In summary, 2022 business activity is delivering upon the aims we set ourselves when completing the IPO. These were to use the new capital to increase our pool of agents, managers and clients to drive profitability; to enable Driift to scale its offering and drive revenue growth and margin; to invest in our service businesses and to seek out new opportunities and participate in key music industry developments. With current trading in line with expectations, I look forward to further expanded activity and strong developments during the rest of the year.

Adam Driscoll
CEO

27 June 2022

Principal Risks and Uncertainties

Key Artists

Description

The Group relies on a small number of more established artists to generate the majority of artist management and live performance revenue. Outside of any contractual arrangements, written or otherwise, there can be no assurance that the Group's business relationships with its key artists will be successfully maintained and neither can it guarantee that new relationships with new profitable artists will be formed. Similarly, there can be no assurance that currently profitable artists will remain as such in respect of the Group as a whole and/or the artist themselves. Whilst the Directors believe that the Group has good relationships with its well established and up and coming artists, and that the Group's breadth of roster diversifies risk around the profitability of any one artist, any change in the key terms with an artist, a failure of such relationships and/or the profitability of an artist could adversely affect the future business, operating results and/or profitability of the Group.

Mitigation

The Group has a history of retaining its artists and agents and is regularly invited to pitch for new artist management roles, reflecting the positive reputation that the Group has in the markets it operates in. The Group have secured new artists, agents and projects during the time since IPO and is working on a number of live proposals at any time. The Group routinely reviews the profitability of each artist and project to establish key actions for improving profitability to the Group.

Attracting and retention of key personnel, including Directors, artist managers and agents

Description

The Group has a small management team and the Group's activities require the recruitment and retention of suitably qualified personnel in multiple areas, especially artist managers and agents who bring with them their own artists or clients. Such artist managers and agents are sometimes not directly employed by the Group but operate as independent persons in partnership with ATC through contractual arrangements, written or otherwise. The loss of, failure of relationships with and/or any change in the key terms with, any Directors, key managers or agents or inability to attract talented Directors, managers and agents (in sufficient time or at all and/or at appropriate expenditure) could materially adversely impact the business, prospects and financial condition of the Group, especially because the loss of a key manager or agent could result in the loss of the artists that the manager or agent acts for. The success of the Group depends on its ability to manage its business effectively and ensure that the artists are profitable and sales are made in accordance with its business plan. The Directors and other key personnel also have to interpret and respond appropriately to technological, economic, market, regulatory and other conditions. The Group cannot guarantee that it will, or how long it will take to, recruit new managers and agents or retain key personnel and neither can it guarantee that its managers and agents will bring with them artists who are profitable within the anticipated time horizon or at all.

Mitigation

The Group enjoys a positive reputation for nurturing an environment that key people like working in, one in which they can express their musical creativity as well as contribute profitably to the performance of the Group. Over a relatively short amount of time, ATC in the USA has been able to attract reputable artist managers in the face of strong competition and the team in the UK and Europe is stable and growing. A number of key recruits of artist managers have been made since the year end and we continue to seek out mangers who we believe can add positively to our roster of artists.

Limited operating history of Driift

Description

Driift has a limited operating history and its future success is dependent on its ability to implement its strategy, including any evolution of that strategy within a rapidly developing market place, and in collaboration with Driift's board and stakeholders. Whilst the Group is optimistic about Driift's prospects, which has also been validated through the Deezer investment, there is no certainty that anticipated outcomes will be achieved. Driift faces risks frequently encountered by early-stage companies, including its ability to expand its operation and gain additional revenue streams whilst at the same time maintaining effective cost controls. In addition, live concert streaming is not new, but the combination of a complex, and evolving, rights landscape, such as licence fee levels charged by various global performance rights organisations, and dependency on consumers' continued willingness to pay for livestreams could impact Driift's future growth and prospects.

Mitigation

The Group is closely monitoring the rapid development and evolution of the way livestreams are delivered and the best way to monetise all the available revenue streams, for the benefit of both the Group and artists. This has now evolved to delivering '360 degree' livestream where revenues are secured from live audiences at premium prices, global livestreams at different times, broadcast rights, sponsorship and also merchandise and beverage revenues from the live audiences. In addition, certain livestreams qualify for film tax credits. The Group is also refining the best operating model for delivering the highest quality livestreams including the selection of venues and the production businesses used. The Group continues to be successful in securing a number of new, high-profile artists for livestream performances.

Disruption from failure of Driift UK's livestreams

Description

Driift's operations depend on the efficiency and "ease of use" of third-party platforms to facilitate ticket sales and the streaming of the event. Delivery of Glastonbury's 'Live at Worthy Farm' livestream event in May 2021 was disrupted by some initial technical issues caused by a third-party supplier and refunds were offered to purchasers of tickets for that particular stream. Any disruption to Driift's livestreams, whether originated by the company or by third parties, will have an adverse effect on each event and the consumers' experience, which could harm Driift's reputation, business, financial condition and/or prospects.

Mitigation

The Group routinely explores the best way to delivery trouble-free, high quality livestreams. Following the investment by Deezer, Driift entered into a 5-year exclusive arrangement with Dreamstage to host Driift's livestream productions and provide livestream ticketing services, which is proving to be successful. No further disruptions to livestreams have been encountered.

Actions of third parties and contractors

Description

The Group currently uses third parties, including ticket vendors and contractors used in staging live events. Any failure by these third parties to fulfil their respective obligations on a timely basis could delay or possibly lead to the cancellation of an event and/or damage the Group's reputation for delivering online ticketed events, which could be detrimental to the future business, operating results and/or profitability of the Group.

Mitigation

The Group reviews the performance of its third party ticket vendors and contractors used in staging live events and provides constructive feedback to provide continuous improvement.

Business ventures with third parties including in relation to Driift, Polyphonic and future joint ventures

Description

The Group has a 52 per cent. interest in Driift Holdings and three other shareholders hold the remaining 48 per cent. interest. Even though ATC has majority share ownership and the ability to control board decision-making, pursuant to a shareholders' agreement, certain key strategic, legal and operational decisions require the consent of other shareholders. This contractual arrangement may expose ATC to customary risks that are associated with joint ventures and owning a company with multiple decision-makers.

There are certain other risks associated with any joint ventures or business ventures involving non-wholly owned subsidiaries that the Group is currently engaged in, or may in the future engage in, including the risk that joint venture partners or minority shareholders may: (i) have economic or business interests or goals that are inconsistent with those of the Group; (ii) be unable or unwilling to fulfil their obligations under any shareholders' agreement or other agreements; (iii) seek to accelerate capital contributions on the venture, which may be inconsistent with the Board's prevailing strategy or the ability or willingness of the Group to fund its share of such capital contribution to allow it to maintain its shareholding percentage; and/or (iv) experience financial or other difficulties and/or fail to fund their share of any capital contribution which might be required, which may then fall to the Group to fund

Mitigation

The Group reviews the performance of its third party ticket vendors and contractors used in staging live events and provides constructive feedback to provide continuous improvement.

Competition

Description

The markets in which the Group companies operate are competitive and fast-moving and may become even more competitive. There can be no guarantee that a Group company's competitors will not develop similar or superior services or products to a Group company's services or products which may render the Group company uncompetitive, especially if the larger operators in the industry choose to invest significant resources into competing ventures. The Group's size could mean that its commercial negotiating position is not as strong as its counterparty's.

Mitigation

The Group's size and structure means it is able to move more quickly into growing areas of the industry compared to its competitors, as evidenced by Driift and a number of innovative activities within the Services part of the Group. The standing, positive reputation and experience of the senior management in the Group often results in the Group being equal in its negotiating position with larger counterparties.

The COVID-19 pandemic, or other epidemics or pandemics, could have a material adverse effect on the Group's revenue and operations

Description

The spread of any contagious disease that may result in an epidemic or pandemic on a regional or global scale may have a negative impact on the operations and results of the Group. If one or more of the geographical areas in which the Group operates are affected by contagious diseases that cause an epidemic or pandemic on a regional or global scale, the ability of the company to generate revenue from its artists' live performances can be significantly affected. Since December 2019, there has been a rapid global spread of the new respiratory virus COVID-19, which continues to have a significant impact worldwide. Restrictive measures, including, inter alia, restrictions on the movement of people, the closure or temporary interruption of most performance venues and commercial activities and various social distancing provisions, have been and continue to be implemented by many countries, including the UK. Such measures have had a material adverse effect on the Group's business, results of operations and financial condition (with a disproportionate impact on ATC Live and Polyphonic). Whilst certain of the Group's business, in particular Driift, is likely to be able to continue operating efficiently in such circumstances, on a Group basis, any further regional or global epidemics or pandemics or the further spread of COVID-19 may have the same materially adverse effect on the Group's business, results of operations and financial condition.

Mitigation

The COVID-19 pandemic has had a significant impact on the Group and its profitability in 2020 and 2021. Whilst the impact is starting to reduce in 2022, a number of artists cancelled or deferred their live touring plans in the first quarter of the year. The Group continues to work closely with its artists and their plans for recommencing live tours, for which there is a lot of pent up customer demand. Driift continues to see promising levels of business and enquiries from artists for livestreamed events.

CFO review

Overview

During the year, the Group's results were in line with management expectations and demonstrated resilience during the Covid-restrained environment, with revenue and other operating income of £10.3 million representing growth of 37% from 2020 (£7.5 million) and adjusted loss before tax and non-controlling interests ('NCI') of £2.7 million (2020: £0.34 million loss before tax and NCI).

Following the successful fundraise at the Group's IPO in December 2021, ATC retains a healthy net cash position (after current debt) of £4.2 million and net cash position (after current and long-term debt) at year end of £2.3 million.

Revenue and other operating income

The Group's consolidated revenue and other operating income was up 37% to £10.3m (2020: £7.5m). Core revenue (excluding other operating income) accounted for 89% (2021: £9.1m vs 2020: £7.1m) and posted 28% growth.

	2021	2020
	£	£
Live streamed events		
- Core revenue	4,642,212	4,716,692
- Other operating income	545,979	0
	5,188,191	4,716,692
Artist management and development		
- Core revenue	4,501,426	2,383,493
- Other operating income	617,517	434,762
	5,118,943	2,818,255
Total	**10,307,134**	**7,534,947**

Despite the impact on the artist management and development businesses as a consequence of the COVID-19 pandemic and associated global lockdowns, the increase in revenue and other operating income was driven by the following:

- Livestreamed events - Driift tapped into the consumer desire to remain connected with artists and live performances by delivering shows in-home via a streaming mechanism. Driift generated £5.2 million in 2021, a 10% increase over the previous year (2020: £4.7 million) and represented 50% of the consolidated revenue and other operating income (2020: 63%) .

- Artist management and development - The consolidation of ATC Artist Management Inc. (formerly known as Courtyard Production, Inc), which became a wholly owned subsidiary on 19 February 2021 also contributed to a 12% increase (£0.9 million) in consolidated revenue and other operating income in 2021.

During the year, the Group also received COVID related government grants amounting to £0.52 million in 2021 (2020: £0.42 million).

Administrative expenses

Administrative expenses, excluding IPO listing related costs, increased from £1.4 million in 2020 to £4.8 million in 2021.

	2021	2020
	£	£
Artist management and development	3,652,198	1,166,200
Live streamed events	1,121,944	242,187
Total	**4,774,142**	**1,408,387**

The increase is due to the additional overheads of businesses that were acquired in 2021, which increased expenses by £2.3 million (2020: nil), and because Driift traded for only 6 months in 2020 (2021: £1.1 million vs 2020: £0.2 million).

Excluding these items, consolidated administrative expenses increased by 40% to £2.6 million in 2021 (2020: £1.2 million), principally due to the following:

- New hirings in the UK management business with the objective of growing the artist, writer, producer and composer rosters which resulted in an increase in salary cost of approximately £0.3 million; and,

- An increase in Polyphonic's expenses of approximately £0.2 million resulting from the release of 'Sticky', the fourth album by Frank Carter and the Rattlesnakes on 15 October 2021. This release was tied to a significant tour across the UK and Europe from November 2021 through to February 2022.

Following the receipt of the proceeds from the IPO in December 2021, the Group has been able to invest in improving its internal systems, procedures and processes as a result of being publicly listed.

IPO and net cash/(debt)

The Group listed on the Apex segment of the Aquis Growth Market in December 2021 and raised a total of £4.15m, before costs, from both institutional investors and individual investors. As a result of the IPO, the Group's net cash position has improved from a net debt to net cash position.

The placing shares represented approximately 25.7% of the enlarged share capital at the time. Alongside the funds raised, a director's loan and a loan to Beggars Group Limited were repaid.

At the year end, the Group's net cash position was £2.3 million (2020: net debt £0.65 million), which will allow the Group to further grow the Live and Management businesses by hiring new agents, and managers. It also provides the necessary working capital to further develop Driift, Polyphonic and the Services division and to pursue the Group's acquisition plans.

	2021	2020
	£	£
Current		
Cash and cash equivalents	5,532,272	2,178,505
Funds held on behalf of clients	(1,027,793)	0
Borrowings (ST)	(124,068)	(582,230)
Right of use liabilities (ST)	(140,287)	(136,865)
Net cash/(debt) after current debt	**4,240,124**	**1,459,410**
Long term		
Borrowings (LT)	(1,676,986)	(1,725,548)
Right of use liabilities (LT)	(248,238)	(388,525)
	(1,925,224)	(2,114,073)
Net cash/(debt)	**2,314,900**	**(654,663)**

Financing costs of £0.097m (2020: £0.099m) was comprised mainly of interest expenses on loans of £0.083 million (2020: £0.082 million)

Adjusted loss before tax

The loss before IPO and related costs increased to £2.7 million (2020: loss £0.34 million)

	2021	2020
	£	£
Loss before tax	(3,306,518)	(340,831)
IPO and related costs	616,735	0
Loss before listing fees	(2,689,783)	(340,831)

The increase in the loss was due to the substantial investment into Driift, principally to deliver the Glastonbury 'Live at Worthy Farm' event which was disrupted by some technical issues caused by a third-party supplier. This resulted in customer refunds and a reduction in ticket sales. The loss incurred by division was as follows:

	2021	2020
	£	£
Artist management and development	(546,538)	(469,476)
Live streamed events	(2,143,245)	128,646
Total	**(2,689,783)**	**(340,831)**

Earnings per share

Basic and diluted earnings per share was (34.51) pence per share (2020: (4.25) pence per share)

Reconciliation between the statutory consolidated income statement vs. consolidated income statement in the Prospectus for the 12 months to 31 December 2020.

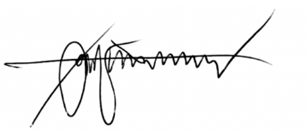
The FY20 comparatives differ from those in the Growth Prospectus ('Prospectus') dated 14 December 2021 due to the inclusion in the Prospectus of the results of ATC Artist Management Inc (previously Courtyard Productions, Inc) as it was under common control for that period. As required under IFRS 3 business combinations, the FY20 comparatives reported in the annual report and accounts (and preliminary announcement) include the results from the date of acquisition, 19 February 2021.

The differences in Revenue, Administrative expenses, Loss before tax and Net assets (excluding NCI) and Earnings (loss) per share lines are shown in the table below:

FY20	Statutory accounts	Prospectus	Differences
	£	£	£
Revenue	7,100, 185	7,489,436	(389,251)
Administrative expenses	(1,408,387)	(1,778,168)	369,781
Loss before tax	(340,831)	(412,739)	71,908
Equity attributable to the shareholders of the parent company	(946,613)	(1,196,639)	232,026
Earnings (loss) per share - in pence	(4.25)	(5.29)	1.04

Going Concern

The accounts have been prepared on a going concern basis. The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, based on projections for at least twelve months from the date of approval of the financial statements.



Rameses Villanueva
CFO

27 June 2022

Engaging with our Stakeholders Section 172 Statement

The Board of Directors, in line with their duties under section 172 ("s172") of the Companies Act 2006, act in a way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard to a range of matters when making decisions for the long term. Key decisions and matters that are of strategic importance to the Company are appropriately informed by s172 factors.

Section 172 of the Companies Act 2006 requires Directors to take into consideration the interests of stakeholders and other matters in their decision making. The Directors continue to have regard to the interests of the Company's employees and other stakeholders, the impact of its activities on the community, the environment and the Company's reputation for good business conduct, when making decisions. In this context, acting in good faith and fairly, the Directors consider what is most likely to promote the success of the Company for its members in the long term. We explain in this annual report, and below, how the Board engages with stakeholders. The Board regularly reviews the Company's principal stakeholders and how it engages with them. This is achieved through information provided by management and also by direct engagement with stakeholders themselves

The table below sets out some examples of how the directors have exercised this duty:

Stakeholders and how we engage

Our Shareholders

The Board and Executive Management Team maintains strong relationships with investors and supports open channels of communication. The Company listed on the Apex segment of the AQSE Growth Market in December 2021. During the listing phase, the Executive Management Team had the opportunity of meeting and presenting to a sizeable number of institutional and high net worth investors during the roadshow. The Company proactively engages in dialogue with shareholders.

Our first AGM will be held on 27 July 2022. This will provide an opportunity for shareholders to engage with the directors and discuss the year's results.

Further details on the Group, our business and key financial dates can be found on our corporate website: https://www.atcgroupPlc.com

Our people

We believe that our strength comes from the people we work with and the relationships we maintain both within the Group and with our network in the wider industry. Our success as a Group comes from shared goals and values of our people and our ability and willingness to empower our teams to be entrepreneurial and realise their ambitions. The sustainable success of the business is dependent upon the development of and investment in our teams of highly talented and dedicated individuals. We work to engender a culture of candour and continually encourage exchange of ideas and information between all the various teams within the Group.

ESG considerations

For a number of years ATC Live (alongside ATC Management) has operated a partnership with Soundskool, the London-based music industry college, to provide opportunities and support in the music industry for young people from London, following its public commitments to making a series of changes as part of the company's

“Blackout Tuesday” manifesto.

Additionally, ATC Live was proud to be announced as one of the first agencies to sign the “Key Change Pledge” working towards equality across the company, its artists’ stages and the festivals they perform at. ATC Live has pledged to work towards having 50% women and underrepresented genders in new additions to the ATC Live roster and to continue its ongoing focus on reaching 50% women and underrepresented gender members of staff by 2023.ATC Live and ATC Management signed up to Arts Emergency, an award-winning mentor charity and support network whose members share opportunities, contacts and advice so that young people can flourish in higher education and cultural industries. The charity is aimed at encouraging and enabling disadvantaged young people into the creative industry.

Senior management in the North American office has been attending schools in south Los Angeles in particularly deprived areas and teaching classes on the music industry and will be starting the same programme aimed toward homeless teens and young adults on ‘Skid Row’ in downtown Los Angeles. Those who attend those classes will be eligible to apply for a paid internship programme at ATC Artist Management, Inc.

Staff are generally encouraged to volunteer their time to speak at conferences on panels, within forums, and in the media.

The Group is consistently looking at ways to reduce the environmental impact of its business and to carbon offset. In addition to carbon offsetting options the Group is looking at rewilding initiatives within the UK. The Smile a band represented by ATC Management is taking part in the Tyndall Centre for Climate Change Research experiment aimed at decarbonising live music.

Change Research experiment aimed at decarbonising live music. The Smile will headline experimental live shows this summer as part of a new ATC 1.5 sustainability project. They are working with the Rail Delivery Group and Trainhugger to encourage fans to take trains to shows. The primary climate activity is to reduce GHG emissions. The rail delivery group estimates up to two thirds of GHG emission can be reduced through train travel which has a significant impact on large shows.

Secondary climate activity entails working with the Royal Forestry Commission and the Scottish Forestry Commission with Trainhugger planting a climate resilient tree for every train ticket purchased. This will create a forest programme for every one of The Smile UK shows. This will ensure specific, climate resilient forestry expansion in Lancashire (Albert Hall), Inverness (Usher Hall - Edinburgh) and Pancake Woods/RFS Hockeridge (The Roundhouse - London), leaving a permanent environmental legacy of The Smile UK shows.

Corporate Governance

Board of directors, senior managers and company secretary profiles

Brian Message, Executive Co-Chair and Co-Founder

Brian is an Executive Co-Chairman and Co-Founder of the Group. He has worked in the music industry for over 25 years having originally trained and qualified as a chartered accountant. Brian worked at EMI, and then Courtyard Management which manages Radiohead. He set up the Group's artist management business in 2001 with Craig Newman and remains co-manager on several of ATC Management's artists including Nick Cave, Johnny Marr and PJ Harvey. In addition, he oversees the Group's Polyphonic business and established Driift with Ric Salmon in 2020. Outside of the Group, he is Chairman of fashion house, the 'Vampires Wife', and Chairman of the ACES multi-academy trust.

Craig Newman, Executive Co-Chair and Co-Founder

Craig is the Co-Chairman / Co-Founder of the Group. Craig has over 30 years of experience in the music industry and initially set up A Ticketing Company in 1996, which later became ATC UK. He was co-manager of several ATC Management artists and also a partner in Courtyard management alongside Brian Message. Craig established the Group's North American business in 2013 and continues to play an active role in the Group's US operations. Beyond ATC, Craig was a founding partner of Youth Zones, the largest public/private partnership of youth provision for 11-18 year-olds.

Adam Driscoll, Chief Executive Officer

Adam is CEO of the Group and has a wealth of experience running and managing music and entertainment related businesses, both public and private. Adam acquired his first business in 1994 through a management buy-out and floated it as A4 Holdings Plc on OFEX in 1996. He founded and floated channelfly.com Plc on AIM in 1999. Following a management buy-out in 2003 the company returned to AIM in 2005 as MAMA Group with Adam as Co-CEO. MAMA Group grew to become a leading music business before being sold to HMV Group in 2010. Adam has served on the boards of Chrysalis Plc and Pulse Films and more recently has led a number of other businesses including Vision Nine and Punchdrunk.

Ram Villanueva, Chief Financial Officer

Ram joined the Board on 1 March 2022. He has extensive experience in senior finance roles across the globe. Most recently he held the position of Group CFO at classical music label Naxos Music Group for c.14 years and was a Director of its US-based subsidiary, North America Classical Company, Inc., concurrently for the last four. Previously, Ram was Group Senior Vice-President for Finance at the SgT Group of Companies from 2006 to 2008, following a five year period in the role of Vice President for Finance & Admin at Paragon Travel Limited. Rameses qualified as a Certified Public Accountant in 1994 and a Certified Management Accountant in 2005. He holds an MBA from the Ateneo Graduate School of Business .

Andy Glover, Senior Independent Non-Executive Director

Andy qualified as a chartered accountant and spent 12 years at PwC in Birmingham before joining Wagon Plc as group chief accountant for two years. He was an audit partner with Ernst & Young LLP ('EY') from 1996 to 2018, the last 11 years being in the London office. He handled an extensive portfolio of middle market clients, including some in the music industry, all undergoing significant change and was EYs most experienced mid-market audit partner in London. His client work has resulted in Andy being closely involved in a wide range of business situations and their risks.

From 2007 to 2015, Andy chaired EYs mid-market non executive director program, which involved hosting monthly meetings and presenting and discussing topical issues for NEDs. He also presented on the Financial Times NED program during this time and has extensive experience of working with audit committees and

Boards. Andy is a fellow of the Institute of Chartered Accountants in England and Wales.

Shirin Foroutan, Independent Non-Executive Director

Shirin is the Vice President, Creative, Europe at BMI (Broadcast Music, Inc., a global leader in music rights management). In this role, she leads BMI's Creative efforts throughout Europe, which includes supporting the company's affiliated songwriters, composers and music publishers as well as cultivating key industry relationships.

Before joining BMI, Shirin was Chief Operating Officer for MPC Film, a division of Technicolor. In that role she was responsible for overseeing more than 2000 visual effects artists out of London, Bangalore, Vancouver and Montreal. Prior to this, Shirin was Managing Director at Mute Group of Companies where she led teams in the recording, music publishing and artist management divisions out of London, New York and Berlin. Prior to joining Mute, Shirin held various positions including Senior Legal Consultant for the Ceremonies of the London 2012 Olympic and Paralympic Games, Director and Legal Counsel of Ceremonies for the Vancouver 2010 Winter Olympic and Paralympic Games, and Director of Legal Affairs at Live National Global Touring.

Emma Stoker, Company Secretary and Head of Business Affairs

Emma qualified as a solicitor in 2004 after training at a leading media and entertainment law practice. She worked in private practice as a litigator for 10 years principally in the music industry and her clients included major record labels, publishers, executives, songwriters, performers and managers. Emma is responsible for overseeing the legal and business affairs of the Group.

Senior managers

Ric Salmon, CEO Driift,

Ric co-founded Driift with in 2020 with Brian Message and is charged with driving its future growth. Ric has worked in the music industry for nearly 25 years. Initially, he held senior roles at various major and independent record labels including Sony Music, Ministry of Sound, and Warner Music. In 2007, Ric founded Harvest Entrainment, an artist management company that went on to represent globally established artists such as Seal, Morrissey and Joss Stone. Ric joined the Group in 2013 and for the last 5 years has been a member of the Group's senior management team.

Harprit Johal, Finance Director

Harprit Johal has been the Finance Director for the Group for over 20 years and is responsible for the management of the Group's finance, preparation of annual budgets, monthly management accounts and the review of quarterly & annual results. He is a Fellow Member of Association of Chartered Certified Accountants (FCCA) and holds an ACCA qualification.

Alex Bruford, Head of ATC Live

Alex heads up ATC Live, having established the business in 2011. As well as being in charge of strategy and overseeing the Live business across three offices in London, Glasgow and Paris, Alex continues to act for 36 of the Group's artists. He is well renowned within the live agency market and was voted agent of the year by the European Festival Association in 2018 and was nominated agent of the year by the European Festival Association in 2016 and 2019. Alex started his career in the music industry as a touring and recording artist signed to Wall of Sound / Sony, releasing 3 albums and playing to large audiences across the globe. He later became the band's tour manager before becoming a live agent at Reprise.

Jonny Dawson, Chief Executive Officer, ATC North America

From 2007 to 2010, Jonny was a national radio presenter in the UK before co-founding and directing an award-winning marketing and events agency, Full Fat Events, where he worked on a range of projects from 2011 to 2016. Between 2010 and 2019, Jonny served as a consultant for the Music Managers Forum and for 2 years he provided consulting services for Spotify via his Music Managers Forum engagement. Separately, he taught Music Business master degree modules at Berklee in Valencia and also consulted for Intel, SoundExchange and Kobalt from 2016 to 2018. These activities were run alongside his activities as an artist manager at ATC from 2010 to 2018.

In 2018, Jonny relocated to Los Angeles to serve as COO for the Group's US activities. In 2021, he was appointed CEO of ATC US and ATC Media, the principal subsidiaries of ATC North America Inc, the Group's US holding company. Jonny manages the Group's interests across its current US operations, including Your Army USA, Familiar Music, Formless and namethemachine.

Sumit Bothra, Managing Director, ATC Management, London

Sumit is MD of ATC Management and oversees the businesses of the Group's partner managers in London and Copenhagen. He co-manages a number of the Group's artists including Katie Melua, PJ Harvey, Fink, The Boxer Rebellion, and Nathan Nicholson. Prior to joining the Group in 2010, Sumit worked for Sony Music (Europe) in Artist Development and Promotions where he created and ran the UK's first College Marketing Department within a major label. He also created Blue Elephant Music, a joint-venture label between Sony Music UK and Sony Music India. Aged 25, Sumit created Embargo Management to manage recording artists Fink, Nitin Sawhney, and The Boxer Rebellion.

Corporate Governance Report

The Board comprises four Executive Directors and two Independent Non-Executive Directors. Short biographical details are set out on pages 27 to 29. The Board is responsible for the Group's overall strategy and for the overall management of the Group. The Strategic Report on pages 6 to 25 outlines the key approach to driving the performance of the Group and promoting the long-term sustainable growth of the company for all shareholders.

The Board has established Audit and Risk and Remuneration Committees, each with formally delegated duties and responsibilities with written terms of references. From time to time, separate committees may be set up by the Board to consider specific issues when the need arises.

Audit and Risk Committee

The Audit and Risk Committee assists the Board in, amongst other matters, discharging its responsibilities with regard to financial reporting, external audits, including reviewing the Group's annual financial statements, reviewing and monitoring the extent of non-audit work undertaken by external auditors, advising on the appointment, reappointment, removal and independence of external auditors, and reviewing the effectiveness of the Group's internal controls and risk management systems. The ultimate responsibility for reviewing and approving the annual report and accounts and the half-yearly reports remains with the Board.

The Committee is also responsible for advising the Board on the Group's risk strategy, risk policies and current risk exposures, overseeing the implementation and maintenance of the overall risk management framework and systems, and reviewing the Group's risk assessment processes and capability to identify and manage new risks.

The membership of the Committee comprises Andy Glover (as its Chair) and Shirin Foroutan.

The Audit Committee will meet formally twice per year at appropriate intervals in the financial reporting and audit cycle and otherwise as required.

Remuneration Committee

The Remuneration Committee assists the Board in determining its responsibilities in relation to remuneration and nominations, including, amongst other matters, making recommendations to the Board on the Group's policy on executive remuneration, determining the individual remuneration and benefits package of each of the executive directors.. Details of the Group's Remuneration policy will be included in future annual reports.

The membership of the Committee comprises Shirin Foroutan (as its Chair) and Andy Glover.

The Remuneration Committee will meet formally twice a year and otherwise as required.

Committee Reports

The Group has elected to comply with the regulations of the QCA Code of Corporate Governance from its admission on the 21 December 2021. Due to the timing of the year end and its close proximity to the listing date, the Group has not had sufficient time to produce the Audit and Remuneration Committee Report for this annual report. The Group will look to publish these reports in future annual reports.

Directors' emoluments, interests and transactions

Directors' emoluments for the year were as follows:

	Fees/ consultancy	Salary and benefits	2021 Total	2020 Total
Directors remuneration	£	£	£	£
Adam Driscoll	50,000	82,500	132,500	
Brian Message	-	-	-	-
Craig Newman	-	770	770	770
Ramses Villanueva	-	-	-	-
Andy Glover	-	-	-	-
Shirin Foroutan	-	-	-	-
	50,000	**83,270**	**133,270**	**770**

During the year ended 31 December 2021, a profit share of £255,492 (2020: £182,092) was paid to Courtyard Music Management LLP, an entity in which Brian Message and Craig Newman are members.

Directors' Interests

As at 31 December 2021 the Directors of the Company held the following number of shares:

Ordinary Shares held

	Number of Ordinary Shares held	% of the Issued Share Capital
Brian Message	1,072,359	11.19%
Craig Newman	1,072,359	11.19%
Adam Driscoll	691,400	7.21%

Transactions with Directors

Details of transactions with directors are set out in note 30 of the financial statements.

The QCA Corporate Governance Code

The Directors recognise importance of sound corporate governance principles being embedded into the operations of the Group. From its listing on the 21 December 2021, the Group has adopted the Quoted Companies Alliance Corporate Governance Code (the 'QCA Code'). The principles of the Quoted Company Alliance (QCA) Code:

Principle 1: Establish a strategy and business model which promote long-term value for shareholders

The Group has developed a broad service base to enable artists to take an integrated approach to rights creation and financial remuneration by combining many of the 'silos' within the Group and offering artists the ability to engage across some or all of the services offered.

The Directors believe that this integrated model will be attractive to artists and will enable the Group to attract creative talent. Crucially, being more invested in and integrated with an artist's overall business will enable the Group to be a venturing partner with creative artists, generating greater commercial opportunities and potentially new business developments across a range of consumer sectors.

The Company's overarching strategic objective is to deliver long term value to shareholders. The Directors expect their strategy will drive shareholder value through delivering organic growth, delivering growth through acquisition, delivering operating profitability to shareholders and delivering operational efficiencies.

Principle 2: Seek to understand and meet shareholder needs and expectations

The Board intends to maintain high levels of communication and have constructive dialogue with its shareholders on a regular basis. The Company understands the need for effective communication and constructive dialogue with investors and financial media and will provide communications through its Annual and Interim Reports, along with Regulatory News Service announcements. The Board is putting in place a general policy of keeping all interested parties informed by regular announcements and update statements. The CEO will be the Company's principal spokesperson with investors, fund managers, the press and other interested parties and act as a general liaison for all shareholders.

All Directors will attend annual general meetings of the Company ("AGM"s), where private investors are given the opportunity to speak to and question the Board. The AGM will provide an opportunity to meet, listen and present to shareholders, and all shareholders are encouraged to attend.

ATC intends to continue dialogue with shareholders at other formal meetings which provide an opportunity to meet, listen and present to shareholders, such as at Capital Markets Days. In addition, ATC aims to keep institutional investors and analysts updated through results roadshows and various other investor presentations on a regular basis. The Company is open to receiving feedback from all stakeholders and will take action where appropriate. The Company is contactable by email and relevant shareholder queries are passed to the Board for discussion. Investor Relations information on the Group's website will be kept updated on relevant developments, financial reports and results presentations.

Principle 3: Take into account wider stakeholder and social responsibilities and their implications for long-term success

The Directors believe that the main stakeholders of the Company are its clients, its employees, the communities it works with and its shareholders. The Group is mindful of its corporate social responsibilities and the need to build and maintain strong relationships across its range of stakeholder groups. As a Company, ATC regard this as a key principle of its operations.

ATC is committed to providing its clients the highest levels of service and to seeking their regular feedback to ensure any concerns are understood and addressed.

The Board believes good two-way communication with staff is a key requirement for high levels of engagement, fostering a culture of innovation. The Company consciously fosters a work environment where employees are - and consider themselves to be - key stakeholders in the business. To ensure continued employee motivation the Board will hold regular open forum company meetings, one to one employee meetings and appraisals, and conduct anonymous employee surveys to ensure the voices of all staff are heard.

The Company will continue its various collaboration and mentorships with grass roots youth education programmes and institutions including BIMM and Soundskool and will endeavour to widen its network to ensure that underrepresented groups are able to access opportunities with the Group.

With regard to shareholders, ATC seeks to meet its responsibilities through meeting regulatory requirements and by understanding shareholder sentiments on the business, its prospects and performance of management. The Directors are available to discuss any matter stakeholders might wish to raise.

Principle 4: Embed effective risk management, considering both opportunities and threats, throughout the organisation

The Board takes responsibility for the establishment and oversight of the Group's risk management framework and has established an Audit & Risk committee to ensure the Group's risk management systems, policies and procedures are appropriate to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor ongoing risks. The Committee will maintain effective working relationships with the Board of Directors, management, and the external auditors and monitor the independence and effectiveness of the auditors and the audit.

The Board's oversight covers all financial and operational controls. The Board's primary method of monitoring is through reviewing reports from management to consider whether significant risks are identified, evaluated and controlled and whether any significant weaknesses are resolved.

An internal audit function is not yet considered necessary or practical due to the size of the Company and day to day control is sufficiently exercised by the Executive Directors. However, the Board will continue to monitor the need for an internal audit function.

Principle 5: Maintain the Board as a well-functioning, balanced team led by the Co-Chairs
The Board comprises Brian Message and Craig Newman, Executive Co-Chairs, Adam Driscoll, Chief Executive Officer, Ram Villanueva, Chief Financial Officer, Andy Glover, Senior Independent Non-Executive Director and Shirin Foroutan, Independent Non-Executive Director.

The Board is charged with responsibility for the stewardship of the Group and for ensuring that corporate governance arrangements are appropriate for the nature and complexity of the Group's operations. The Board is responsible for taking all major strategic decisions and addressing any significant operational matters. In addition, the Board reviews the risk profile along with the Audit and Risk Committee and ensures that an adequate system of internal control is in place.

The Board consists of four Executive Directors and two Independent Non-Executive Directors. The Non-Executives spend a minimum of 2 days a month on Group matters. The Independent Non-Executive Directors are considered by the Board to be independent of management and free from any business or other relationship that could materially interfere with the exercise of their independent judgement in accordance with the QCA Code. The Board deem this appropriate due to the balance of skills and experience held by each individual director, in the context of the current size of the Group and its growth potential.

The Board believes it is appropriate to have a Senior Independent Non-Executive Director and Andy Glover currently fulfils this role. Andy is available to shareholders where concerns have not been resolved through the normal channels of communication with the Board and for when such contact would be inappropriate. Roles of the Chairs and the CEO are separate, with their roles and responsibilities clearly defined and set out in writing. The Chairs' main responsibilities on the Board are the leadership and management of the Board and its governance. The Board notes that having executive chairs is not considered best practice under the QCA guidelines, however the nature of the business and of the co-chair's responsibilities within it means they are currently best positioned to continue in executive roles to steer the Company through its early stages of growth. Further, the Board notes that whilst having co-chairs is not typical, this structure has worked for the Company to date and the Board will continue to review its efficacy as the Company progresses.

The Chief Executive is responsible for the leadership and day-to-day management of the Group. This includes formulating and recommending the Group's strategy for Board approval and executing the approved strategy.

The Chief Financial Officer is responsible for all financial matters relating to the Group. This includes management information, accounting systems and controls, forecasts and budgets and tax matters.

The Board meets monthly, and more frequently if necessary. In addition to this the Board attends an annual strategy meeting which also includes senior managers outside of the Board. The Board is supported by a management board who will have responsibility for day-to-day oversight of the Group's activities.

The individual Board committees meet in a timely manner,. The Audit and Risk Committee will meet at least two times a year and the Remuneration Committee at least two times a year. The terms of reference setting out the responsibilities of the Audit and Risk Committee and Remuneration Committee are summarised on the Group's website.

Principle 6: Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities
The Executive Co-Chairs, Brian Message and Craig Newman, have each been part of the Group for over 20 years and have extensive music industry experience both as managers of globally renowned artists and as developers of the wider array of the Group's businesses. Brian has previously been Chair of the Music Managers Forum, was a founder of the Featured Artists Coalition and has been a long-term co-manager of globally renowned band, Radiohead. Craig has a proven track-record of founding and growing companies, established the Group's USA business and was also co-manager of several ATC Management artists and a partner in Radiohead's management business. The CEO Adam Driscoll has extensive experience of working in and leading

businesses in the music industry and also quoted companies. Recently joined CFO Ram Villanueva has worked for an international music group for over 20 years prior to joining the Group.

The Board is supplemented with two independent Non-Executive Directors with a wealth of relevant industry and corporate experience. Andy Glover was most recently an audit partner with Ernst & Young LLP for nearly 22 years with an extensive portfolio of mid-market clients, including music industry companies and quoted companies. Shirin Foroutan is the Vice President, Creative, Europe at BMI, a global leader in music rights management. In this role, Shirin leads BMI's creative efforts throughout Europe, which includes supporting their affiliated songwriters, composers and music publishers as well as cultivating key industry relationships.

The Board considers its current composition and overall size to be both appropriate and suitable with the correct blend of sector, financial and public markets experience and personal skills and capabilities to enable it to deliver its strategy and provide appropriate critique.

The composition of the Board is reviewed on an annual basis by the Board itself until such time as it is deemed appropriate for a Nominations Committee to be implemented. The Board is fully committed to the appointment of the right skills that are required to grow shareholder value. One third of the Directors retire at the AGM in rotation in accordance with the Company's Articles of Association, thereby providing shareholders the ability to decide on the election of the Company's Board. Non-executive directors that do not meet the independence criteria will also stand for election annually, which will allow shareholders to voice their opinion.

The Board will undertake a thorough evaluation of the skills, knowledge and experiences of a proposed new Director before making the final decision on the appointment of a new member, as well as consult their Aquis Corporate Adviser. Throughout the year, the Directors will receive updates on corporate governance matters from either the Company Secretary or the Company's AQSE Corporate Adviser.

Principle 7: Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement

The Board itself is responsible for board evaluation. An internal Board evaluation will take place annually going forward and will be conducted by way of a questionnaire and interviews. In addition, the Non-executive Directors will meet, without the executive directors present, and will evaluate performance of the executives. The results shall be used by the Board for its approach to succession planning.

Principle 8: Promote a corporate culture that is based on ethical values and behaviours

The Board promotes a healthy corporate culture and has considered how that culture is consistent with the Company's objectives, strategy and business model. The Board believes the culture to be inclusive, transparent and collaborative with appropriate behaviours. The Board is satisfied that the Company has a 'speak up' culture and the Directors regularly observe this occurring in practice.

The Group has a Code of Conduct, a Share Dealing Code, an Anti-Bribery Policy, Publicity Guidelines, Related Party Transaction guidelines, a Disclosure policy stating the Company's commitment to conducting its business with honesty and integrity, its expectation that staff will maintain high standards, and encouraging prompt disclosure of any suspected wrongdoing. All such policies have been shared with employees are available to view on internal systems.

In addition, in line with the Market Abuse Regulations ("MAR"), the Company has adopted a Share Dealing Policy and Dealing Code which apply to all Directors and employees of the Company.

Principle 9: Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board

The Board is committed to a high standard of corporate governance across the Group, recognising that it is important in protecting Shareholders' interests and the long-term success of the Group. The QCA Code is being implemented on a "comply or explain" basis, whereby there is an acceptance that noncompliance is not wrong, provided there is a well-justified explanation which properly describes why such noncompliance is appropriate for the Group and is in the best interests of its Shareholders.

Progress, and how it is intended to be made, in terms of governance structures against the Group's objectives, strategy and business model, will be detailed in the Group's next annual report. The Group website, in addition to the high-level explanation of the application of the QCA Code set out in the Co-Chair's corporate governance statement, describes:

- The roles and responsibilities of the Co-Chairs, CEO, CFO and Company Secretary and any other directors who have specific individual responsibilities or remits (e.g. for engagement with Shareholders or other stakeholder groups)

- The roles of the committees, setting out any terms of reference and matters reserved by the Board for its consideration

- Which matters are reserved for the Board

- Any plans for evolution of the governance framework in line with the Group's plans for growth. Principle 10: Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

Principle 10: Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

ATC is committed to open communication with all its shareholders. Communications with shareholders will be predominantly through the Annual Report and AGM. Other communications are in the form of, full-year and half-year announcements, periodic market announcements (as appropriate), one-to-one meetings and investor roadshows with institutional investors.

The Group's website is regularly updated and users can register to be alerted via email when announcements or details of presentations and events are posted on the website

Directors' report

The Directors present their Annual Report together with the audited financial statements for the year ended 31 December 2021. The Corporate Governance Statement set out on pages 27 to 35 forms part of this Report.

Principal activities

The Group's principal activities during the year are that of an independent music business encompassing artist management, live agency, livestreamed events and a range of other music services.

These financial statements present the results of the Group for the year ended 31 December 2021.

Directors

The Company's current directors are listed on pages 27 to 28, together with their biographical details. The directors who served at any time during the year and since the year end were as follows:

- Brian Message - appointed 28 October 2021
- Craig Newman - appointed 28 October 2021
- Adam Driscoll - appointed 20 May 2021
- Ram Villaneuva - appointed 28 February 2022
- Andy Glover – appointed 21 December 2021
- Shirin Foroutan – appointed 21 December 2021

Directors' and Officers' liability insurance

The Group has purchased and maintains appropriate insurance cover in respect of Directors' and Officers' liabilities. The Group has also entered into qualifying third-party indemnity arrangements for the benefit of all its Directors, in a form and scope which comply with the requirements of the Companies Act 2006.

Results and dividends

The results for the year are set out on page 47. The Company will not be paying a dividend this year.

Going concern

The Directors have a reasonable expectation that the Group as a whole has adequate resources to continue in operational existence for the foreseeable future.

The Group raised £4.15 million of funds through the IPO in December 2021 resulting in a positive cash position.

Management has performed a going concern assessment for the period to 30 June 2023, which indicates that Group will have sufficient funds to settle its liabilities as they fall due. Accordingly, the Group has prepared the financial statements on a going concern basis.

Notice of Meeting

This year's Annual General Meeting will be held on 27 July 2022.

A separate circular will be sent to shareholders and includes the following:

• notice of meeting;

• form of proxy; and

• details and information on the resolutions to be proposed.

Adler Shine LLP have expressed their willingness to continue in office and a resolution to reappoint them will be proposed at the Annual General Meeting in accordance with Section 489 of the Companies Act 2006.

Strategic Report

The Strategic Report set out on pages 6 to 25 provides a fair review of the Group's business for the year ended 31 December 2021. It also explains the objectives and strategy of the Group, its competition and the markets in which it operates, the principal risks and uncertainties it faces, employee information, the Group's financial position, key performance indicators and likely future developments of the business.

Key Stakeholders

For our key stakeholders and employees please refer to Our Stakeholders section on pages 24 to 25.

Post balance sheet events

On 30 March 2022 the Group secured and received a short-term promissory note loan of $6m. On the same date the Group invested the $6m into a new company, Hypnos Capital, formed with the express intention of investing in the music digitisation, blockchain and web3 spaces. The minority investment was made alongside a number of other parties who together with the Group have invested over $80m in the new venture. On 10 May 2022, Hypnos Capital announced that it acquired Napster. The Group's equity interest in the newly formed company is subject to a pledge in favour of the lender, as sole security against the Group's obligations under the loan arrangement. Due to the recent volatility in the crypto markets, the Directors have reassessed the Company's capacity to refinance the original loan. The Directors have therefore taken the decision to transfer the equity interest back to the original loan holder with negligible financial impact to the Group.

Substantial shareholdings

As at 31 December 2021, the following shareholders had notified the Company that they held an interest in 3% or more of its issued ordinary share capital:

	Number of shares	% of shareholding
Brian John Message	1,072,359	11.19%
Craig Newman	1,072,359	11.19%
Chase Nominees Limited	958,300	9.99%
Adam Charles Driscoll	691,400	7.21%
Kipling House Holdings Limited	682,000	7.12%
Jim Nominees Limited	464,040	4.84%
Matthew Benham	377,200	3.94%
Christopher Howard Hufford	293,600	3.06%
John Bryce Edge	293,600	3.06%

Save as disclosed above, the Company is not aware of any person who, as at the date of this Document, directly or indirectly, has a holding of Ordinary Shares which is notifiable under English law. Directors' interests in the Company are disclosed on page 31 of the Corporate Governance Report. None of the Shareholders referred to in this paragraph has different voting rights from any other Shareholder in respect of any Ordinary Shares held by them.

Statement of directors' responsibilities

The Directors are responsible for preparing the Annual Report and 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 Group financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company 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 and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether they have been prepared in accordance with IFRSs in conformity with the requirements of the Companies Act 2006, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Disclosure to auditors

The Directors who held office at the date of approval of this Directors' report confirm the following:

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

Website publication

The Directors are responsible for ensuring the Annual Report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the UK governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

The Directors' report was approved on behalf of the Board on 27 June 2022 and signed on its behalf by:

Adam Driscoll
CEO

27 June 2022

Financial Statements

Independent Auditor's Report to the Members of All Things Considered Group Plc

Opinion on the financial statements

We have audited the financial statements of All Things Considered Group Plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2021 which comprise the consolidated statement of comprehensive income, the consolidated and company statements of changes in equity, the consolidated and company statements of financial position, 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 the preparation of the Group and Parent Company financial statements is applicable law and UK adopted international accounting standards.

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 2021 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with UK adopted international accounting standards; and
- the financial statements 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain 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 as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- A critical evaluation of the Directors' assessment of the entity's ability to continue as a going concern, covering the period of at least 12 months from the date of approval of the financial statements.
- Evaluating the process the Directors followed to make their assessment, including confirming the assessment and underlying projections were prepared by appropriate individuals with sufficient knowledge of the detailed

figures as well as an understanding of the entities markets, strategies and risks. Understanding, challenging and corroborating the key assumptions included in their cash flow forecasts against prior year, our knowledge of the business and industry, and other areas of the audit.

- Searching through enquiry with the Directors, review of board minutes and review of external resources for any key future events that may have been omitted from cash flow forecasts and assessing the impact these could have on future cash flows and cash reserves.

- Assessing stress test scenarios and challenging whether other reasonably possible scenarios could occur and including these where appropriate.

- Considering the adequacy of the disclosures relating to going concern included within the annual report against the requirements of the accounting standards and consistency of the disclosures against the forecasts and going concern assessment.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

The directors' assessment of going concern involves a number of highly subjective judgements, therefore, this was accordingly identified as a Key Audit Matter.

Overview of our audit approach

Materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the Group financial statements as a whole to be £91,000 based on 1% of the Group's turnover. We use a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment. Our level of performance materiality was £68,000.

Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and Directors' remuneration.

We agreed with the Audit Committee to report to it all identified errors in excess of £5,000. Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

We set materiality for each component of the Group based on a percentage of between 11% and 47% of Group materiality dependent on the size and our assessment of the risk of material misstatement of that component. Component materiality ranged from £10,000 to £44,000. In the audit of each component, we further applied performance materiality levels of 75% of the component materiality to our testing to ensure that the risk of errors exceeding component materiality was appropriately mitigated.

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

The Group consists of two divisions, with the principal operations located in the UK but with a number of operating subsidiaries in the United States of America. In establishing the overall approach to the Group audit, we completed full scope audits on the significant components located in the UK, and component auditors performed specific audit procedures on the operating subsidiaries in the US which are not deemed to be significant components and so our work was tailored to focus on specific risk areas.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Aside from the going concern key audit matter identified above, we identified the following areas as the key audit matters relevant to our audit of the financial statements.

Key audit matter	How the scope of the audit addressed the key audit matter
Revenue Recognition Revenue is recognised in accordance with the accounting policy set out in the financial statements. We focus on the risk of material misstatement in the recognition of revenue, as a result of both fraud and error, with a particular focus on the risk of inappropriate cut-off of revenue recognition around the balance sheet date.	Our work focused on assessing whether the accounting policies for revenue were in accordance with IFRS and validating that revenue had been recognised in accordance with the accounting policies. We gained an understanding of the key processes and controls used to record revenue transactions. We performed detailed cut-off testing of revenue transactions during the period either side of the balance sheet date with reference to the relevant terms of business and date of the provision of the service. We examined material journal entries that were posted to the revenue accounts and obtained supporting evidence to test the appropriateness of revenue recognition. We also assessed the adequacy of the Group's disclosures related to revenue. **Key observations:** Based on the procedures we performed, we are satisfied that revenue is appropriately recognised in the correct accounting period.

Key audit matter	How the scope of the audit addressed the key audit matter
Impairment of goodwill	
The Directors perform annual impairment reviews of goodwill for all cash generating units (CGUs). The estimated recoverable amount of these balances is subjective due to the inherent uncertainty involved in forecasting and discounting future cash flows, which form the basis of the Group's value in use calculation and assessment of the carrying value of goodwill and intangible asset values. We have determined as part of our risk assessment that the value in use calculation used in the assessment of carrying value of goodwill has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole. Key assumptions include revenue, gross margin, and cash flow forecast assumptions. The impairment test is also based on key assumptions in respect of the appropriate discount rates and longer-term growth rates. As a result of the review, management did not identify any impairments.	We assessed management's allocation of assets for each CGU based on our knowledge of the Group and its operations. We challenged management's assumptions and assessed the achievability of the forecasts included in the impairment model using a number of techniques including assessing accuracy of historic forecasting and post year-end performance. We considered whether the revenue, and where relevant associated costs, used in the value in use calculations was reasonable in light of historic performance and projections. This included the projected economic growth and cost inflation, margin and known or probable changes in the business environment. We also challenged management regarding the assumptions made in the model including the cash flow forecast, weighted average cost of capital and discount rate used. We benchmarked the key assumptions applied and considered whether these fell within our acceptable ranges. **Key observations:** Based on the procedures we performed, no issues arose from our work that suggested goodwill is materially misstated.
Fair value of investments	
Investments were considered to be a key audit matter due to the size of the balance and because the valuation at the year end involves judgement.	We considered the ownership and existence of investments as well as the valuations placed on investments at the year end and whether there were any indications of impairment. Our audit procedures in this area also included: - assessing compliance with the Group's accounting policy. - assessing the valuation processes and practices adopted by management and validating the assumptions applied by them. **Key observations:** Based on the procedures we performed, no issues arose from our work that suggested investments are materially misstated.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements 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.

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

We have nothing to report in this regard.

Other matters

The Group claimed exemptions available from audit for the year ended 31 December 2020 therefore the comparative figures included within these financial statements are unaudited. Sufficient appropriate audit evidence regarding the opening balances has been obtained.

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report	In our opinion, based on the work undertaken in the course of the audit: • the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and • the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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

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

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and the industry in which it operates. We determined that the most significant laws and regulations which are directly relevant to specific assertions in the financial statements are those related to the reporting framework, including UK adopted international accounting standards, and significant regulations relating to the sector in which the group operates are employment and taxation laws and regulations in the jurisdictions in which the Group operates.

- We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals and reviewing accounting estimates for biases.

- We designed our audit procedures to detect irregularities, including fraud. Our procedures included journal entry testing, with a focus on large or unusual transactions based on our knowledge of the business; existence of revenue, enquiries with Group management; and focussed testing as referred to in the Key Audit Matters section above.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

A further description of our responsibilities is available 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 Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Adler Shine

Christopher Taylor FCA (Senior Statutory Auditor)
For and on behalf of Adler Shine LLP, Statutory Auditor

Aston House
Cornwall Avenue
London

27 June 2022

Adler Shine LLP is a limited liability partnership registered in England and Wales (with registered number OC301724).

Consolidated statement of comprehensive income

For the year ended 31 December 2021	Notes	2021 £	2020 £
Revenue	5	9,143,638	7,100,185
Cost of sales	6	(8,297,894)	(6,207,950)
Gross profit		845,744	892,235
Other operating income	7	1,163,496	434,762
Administrative expenses	8	(5,390,877)	(1,408,387)
Provision for amounts owed by associates and joint ventures		-	(235,250)
Operating loss		(3,381,637)	(316,640)
Share of results of associates and joint ventures	18	167,568	40,012
Finance income	13	4,852	34,652
Finance costs	14	(96,968)	(98,855)
Provision against amounts owed by participating interests		(333)	-
Adjusted loss before tax		(2,689,783)	(340,831)
IPO and related costs		(616,735)	-
Loss before taxation		(3,306,518)	(340,831)
Income tax expense	15	(1,256)	(966)
Loss for the year		(3,307,774)	(341,797)
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Revaluation gain on unlisted investments		139,061	-
Currency translation differences		(5,208)	(189)
Total items that will not be reclassified to profit or loss		133,853	(189)
Total other comprehensive income for the year		133,853	(189)
Total comprehensive income for the year		(3,173,921)	(341,986)
Loss for the financial year is attributable to:			
- Owners of the parent company		(2,353,468)	(291,792)
- Non-controlling interests		(954,306)	(50,005)
		(3,307,774)	(341,797)
Total comprehensive income for the year is attributable to:			
- Owners of the parent company		(2,219,615)	(291,981)
- Non-controlling interests		(954,306)	(50,005)
		(3,173,921)	(341,986)

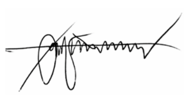
Earnings per share		**2021 pence**	**2020 pence**
Basic and diluted	12	(34.51)	(4.25)

Consolidated statement of financial position

As at 31 December 2021	Notes	2021 £	2020 £
ASSETS			
Non-current assets			
Goodwill	16	1,135,403	-
Property, plant and equipment	17	398,506	500,672
Investments	18	244,604	726,017
		1,778,513	1,226,689
Current assets			
Trade and other receivables	20	2,558,201	1,506,709
Cash and cash equivalents	23	5,532,272	2,178,505
		8,090,473	3,685,214
Total assets		9,868,986	4,911,903
EQUITY			
Called up share capital	28	95,840	32,649
Share premium account	28	3,983,970	2,449,703
Merger reserve		2,883,611	-
Currency translation reserve		(9,750)	(4,542)
Retained earnings		(4,898,864)	(3,442,423)
Equity attributable to the shareholders of the parent company		2,054,807	(964,613)
Non-controlling interests		197,649	10,395
Total equity		2,252,456	(954,218)
LIABILITIES			
Non-current liabilities			
Borrowings	21	1,676,986	1,725,548
Other creditors		53,085	9
Right of use lease liabilities	26	248,238	388,525
		1,978,309	2,114,082
Current liabilities			
Trade and other payables	22	5,373,866	3,032,944
Borrowings	21	124,068	582,230
Right of use lease liabilities	26	140,287	136,865
		5,638,221	3,752,039
Total liabilities		7,616,530	5,866,121
Total equity and liabilities		9,868,986	4,911,903

The financial statements were approved by the board of directors and authorised for issue on 27 June 2022 and are signed on its behalf by:

Adam Driscoll
Director



Rameses Villanueva
Director

Company Registration No. 13411674

Consolidated statement of changes in equity

For the year ended December 2021	Notes	Share Capital	Share premium account	Merger reserve	Currency translation reserve	Retained earnings	Total	Non controlling interests	Total
		£	£	£	£	£	£		£
At 1 January 2020		19,556	1,852,394	-	(4,353)	(3,240,481)	(1,372,884)	-	(1,372,884)
Year ended 31 December 2020:									
Loss for the year		-	-	-	-	(291,792)	(291,792)	(50,005)	(341,797)
Other comprehensive income:									
Currency translation differences on overseas subsidiaries		-	-	-	(189)	-	(189)	-	(189)
Total comprehensive income for the year		-	-	-	(189)	(291,792)	(291,981)	(50,005)	(341,986)
Issue of share capital	28	13,093	597,309	-	-	-	610,402	-	610,402
Acquisition of non-controlling interests		-	-	-	-	89,850	89,850	60,400	150,250
At 31 December 2020		32,649	2,449,703	-	(4,542)	(3,442,423)	(964,613)	10,395	(954,218)
Year ended 31 December 2021:									
Loss for the year		-	-	-	-	(2,353,468)	(2,353,468)	(954,306)	(3,307,774)
Other comprehensive income:									
Revaluation gain on unlisted investments		-	-	-	-	139,061	139,061	-	139,061
Currency translation differences on overseas subsidiaries		-	-	-	(5,208)	-	(5,208)	-	(5,208)
Total comprehensive income for the year		-	-	-	(5,208)	(2,214,407)	(2,219,615)	(954,306)	(3,173,921)
Issue of share capital of previous parent		1,709	399,550	-	-	-	401,259	-	401,259
Issue of share capital	28	95,840	3,983,970	-	-	-	4,079,810	-	4,079,810
Merger reserve		(34,358)	(2,849,253)	2,883,611	-	-	-	-	-
Retained earnings movements due to increased investment by NCI		-	-	-	-	757,966	757,966	-	757,966
Acquisition of non-controlling interests		-	-	-	-	-	-	(58,796)	(58,796)
Other movements in non-controlling interests		-	-	-	-	-	-	1,200,356	1,200,356
At 31 December 2021		95,840	3,983,970	2,883,611	(9,750)	(4,898,864)	2,054,807	197,649	2,252,456

Consolidated statement of cash flows

For the year ended 31 December 2021			2021		2020
	Notes	£	£	£	£
Cash flows from operating activities					
Loss for the year after tax		(3,307,774)		(341,797)	
Adjustments for:					
Taxation charged		1,256		966	
Finance costs		96,968		98,855	
Finance income		(4,852)		(34,652)	
Loss on disposal of property, plant and equipment		-		6,143	
Depreciation of property, plant and equipment		133,023		127,549	
Share of results of associates and joint ventures		(167,568)		(40,012)	
Provision against investment in associates and joint ventures		333		226,282	
Movements in working capital:					
Increase in trade and other receivables		(572,660)		(366,982)	
Increase in trade and other payables		1,136,345		2,182,495	
Cash (absorbed by)/generated from operations			(2,684,929)		1,858,847
Interest paid			(96,968)		(98,855)
Tax paid			(1,256)		(1,246)
Net cash (outflow)/inflow from operating activities			(2,783,153)		1,758,746
Investing activities					
Purchase of property, plant and equipment		(20,983)		(8,642)	
Purchase of subsidiaries (net of cash acquired)	16	274,700		-	
Investment in unlisted shares		(53,086)		-	
Net amount withdrawn in associates and joint ventures		-		30,970	
Interest received		4,852		34,653	
Net cash generated from investing activities			205,483		56,981
Financing activities					
Proceeds from issue of shares in subsidiary subscribed by non-controlling interest		-		150,250	
Proceeds from issue of shares in previous parent		300,025		-	
Proceeds from issue of shares		4,011,094		610,402	
Proceeds from borrowings		500,000		275,000	
Repayment of borrowings		(640,386)		(839,729)	
Proceeds from non-controlling interest additional investment (Driift)		2,000,000		-	
Repayment of bank loans		(95,414)		(29,295)	
Payment of lease liabilities		(136,865)		(127430)	
Net cash generated from financing activities			5,938,454		39,198
Net increase in cash and cash equivalents			**3,360,784**		**1,854,925**
Cash and cash equivalents at beginning of year			2,178,505		309,640
Effect of foreign exchange rates			(7,017)		13,940
Cash and cash equivalents at end of year			**5,532,272**		**2,178,505**

Notes to the Consolidated Financial Statements

1 General information

All Things Considered Group Plc ("ATC Group Plc") was incorporated in England and Wales on 20 May 2021 as a public company limited by shares under the Companies Act 2006.

ATC Group Plc's registered office is The Hat Factory, 168 Camden Street, London NW1 9PT. The Group's principal activity during the year was music artist management and livestreamed events.

The Consolidated Group financial statements represents the consolidated results of ATC Group Plc and its subsidiaries, (together referred to as the "Group"). The Parent Company financial statements present information about the Company as a separate entity and not about its Group.

These are the first consolidated financial statements of the Group following the reorganisation of the Group to facilitate the listing. The result of the application of the capital reorganisation is to present the consolidated financial statements (including comparatives) as if the Company has always owned the Group. The share capital structure of the Company as at the date of the Group reorganisation is pushed back to the first date of the comparative period (1 January 2020). A Merger Reserve is created as a separate component of equity, representing the difference between the share capital of the Company at the date of the Group reorganisation and that of the previous top organisation of the Group.

Except for IFRS 16, the implementation of IFRS had no impact on the consolidated financial information of the Group. The implementation of IFRS 16 led to an increase in the loss for the year by £16,886, an increase in assets by £323,758 and an increase in liabilities of £388,525. There was no effect on cash flows.

2. Significant accounting policies including basis of preparation and measurement

2.1 Basis of preparation

The Consolidated Group Financial Information has been prepared in accordance with International Financial Reporting Standards in conformity with the requirements of the Companies Act 2006 ("IFRS").

Unless otherwise state, the Consolidated Group Financial Information is presented in Pounds Sterling (£) which is the currency of the primary economic environment in which the Group operates. Monetary amounts in these financial statements are rounded to the nearest £.

The Consolidated Group Financial Information has been prepared under the historical cost convention except for certain financial instruments that have been measured at fair value. The principal accounting policies adopted are set out below.

2.2 Basis of consolidation

The Consolidated Group Financial Information comprises the financial statements of ATC Group Plc and its subsidiaries listed in note 19 for "Subsidiaries" to the Consolidated Group Financial Information. The financial statements of all Group companies are adjusted, where necessary, to ensure the use of consistent accounting policies.

The Group was formed after the Company, prior to its IPO and listing on AQSE, completed a share for share transaction with All Things Considered Limited. The Board has taken the view that the most appropriate way to account for this in line with IFRS is to deem the share for share exchange as a group reconstruction. This has been accounted for under the basis of merger accounting given that the ultimate ownership before and after the transaction remained the same. There is currently no specific guidance on accounting for group reconstructions such as this transaction under IFRSs. In the absence of specific guidance, entities should select an appropriate accounting policy and IFRS permits the consideration of pronouncements of other standard-setting bodies. This group reconstruction as scoped out of IFRS 3 has therefore been accounted for using predecessor accounting principles resulting in the following practical effects;

2 Significant accounting policies (continued)

(a) The net assets of the Company and the predecessor group, All Things Considered Limited and its subsidiary undertakings (the "Predecessor Group"), are combined using existing book values, with adjustments made as necessary to ensure that the same accounting policies are applied to the calculation of the net assets of both entities;

(b) No amount is recognised as consideration for goodwill or negative goodwill;

(c) The consolidated profit and loss account includes the profits or losses of the company and the Predecessor Group for the entire period, regardless of the date of the reconstruction, and the comparative amounts in the consolidated financial statements are restated to the figures presented by the Predecessor Group;

(d) The retained earnings reserve includes the cumulative results of the Company and the Predecessor Group, regardless of the date of the reconstruction, and the comparative amounts in the statement of financial position are restated to those presented by the Predecessor Group.

2.3 Going concern

The Consolidated Group Financial Information has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business. The directors of ATC Group Plc (the "ATC Group Directors") have prepared forecasts covering a period of at least twelve months from the date of these financial statements.

In preparing this analysis, a number of scenarios were modelled. The scenarios modelled were all based on varying levels of sales revenue. In each scenario, mitigating actions within the control of management have been modelled. Under each of the scenarios , the Group has sufficient cash to meet its liabilities as they fall due and, consequently, the directors believe that the Group will be sufficiently well funded to be able to operate as a going concern for at least the next twelve months from the date of approval of these financial statements Accordingly, the Directors have adopted the going concern basis in preparing the Group's financial statements.

2.4 Revenue

Management commission

Management commission income is recognised when a right to consideration has been established, the commissions can be reliably quantified and receipt of such commission is first considered certain. In normal circumstances, this results in revenue being recognised in the period in which the managed artist realises income from their contractual arrangements with third parties, thus triggering the manager's right to commission.

Commission on recording, publishing, merchandising and similar artist income

Where an artist has contracted with a third party to receive stage payments of advances, commission income is recognised when the artist receives, or becomes contractually entitled to receive, these payments. For example, where a management artist's contract with a record company stipulates that the artist will receive separate advances on signature, commencement of recording and album delivery, management commission income is recognised on each of these, when the artist has fulfilled their obligations to the record company under the contract and, therefore, has become contractually due to receive them from the record company.

Commission on the artist's income in excess of the advances already received by the artist is accrued based on the best sales information available from third parties (record companies, distributors, publishers, merchandisers, sponsors) from which the artists derives this income, after taking into account potential returns and retentions, and other factors (e.g. exchange rate exposures) that may affect the amount ultimately received.

Commission on tour income

Commission on tour income is recognised on concerts played in the period. Where a tour straddles the end

2 Significant accounting policies (continued)

of the period, commission income is recognised on in respect of those concerts played before the year end. Where final accountings for concerts played in the period are not available, the amount of commissionable income is assessed based on the contractual terms and the best information available as to attendances and takings. In the absence of better information, the estimate is based on the minimum level of income guaranteed to the managed artist by the promoter.

Online ticket sales income

Online ticket sales income is recognised in the period in which the event is live streamed based on information provided by third party ticket agencies, net of a provision for anticipated ticket refunds.

Agency commission

Agency commission income is recognised when a right to consideration has been established, the commission can be reliably quantified and receipt of such commission is first considered certain.

Sale of merchandise

Revenue is recognised at the fair value of the consideration received or receivable for goods supplied. Where goods are sold on the Group's behalf by third party distributors, revenue is recognised when the amount can be reliably measured and it is probable economic benefits associated with the transaction will flow to the Group.

Advances

In the ordinary course of business the Group pays advances and other expenses recoupable from future royalties to performing artists. The amounts paid are carried at cost less recoupment and less an allowance for any amounts which are not expected to be recoupable, based on past revenue performance and current popularity, or recoverable by other means.

2.5 Goodwill

Goodwill represents the amount by which the fair value of the cost of a business combination exceeds the fair value of the net assets acquired. Goodwill is not amortised and is stated at cost less any accumulated impairment losses.

The recoverable amount of goodwill is tested for impairment annually or when events or changes in circumstance indicate that it might be impaired. Impairment charges are deducted from the carrying value and recognised immediately in the income statement. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash generating units (of which there are two) expected to benefit from the synergies of the combination. If the recoverable amount of the cash generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

2.6 Property, plant and equipment

Property, plant and equipment are measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Right of use assets	Over the lease term
Short Leasehold improvements	Over the lease term
Fixtures and fittings	25% reducing balance
Computers	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

2 Significant accounting policies (continued)

2.7 Non-current investments

Interests in associates and joint ventures are accounted for using the equity method.

Under the equity method, on initial recognition the investment in an associate or a joint venture is recognised at cost. The carrying amount is then increased or decreased to recognise the Group's share of the subsequent profit or loss of the associate or joint venture and to include that share of the associate or joint venture's profit or loss in the Group's profit or loss. Distributions received from an associate or joint venture reduce the carrying amount of the investment. Adjustments to the carrying amount may also be necessary for changes in the Group's proportionate interest in the associate or joint venture and for the associate or joint venture's other comprehensive income.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as joint ventures.

2.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

2.9 Financial assets

Financial assets are recognised in the statement of financial position when the company becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through profit and loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit and loss are initially measured at fair value plus transaction costs.

Financial assets held at amortised cost

Financial instruments are classified as financial assets measured at amortised cost where the objective is to hold these assets in order to collect contractual cash flows, and the contractual cash flows are solely payments of principal and interest. They arise principally from the provision of goods and services to customers (eg trade receivables). They are initially recognised at fair value plus transaction costs directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment where necessary.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

2.10 Financial liabilities

The Group recognises financial debt when the Group becomes a party to the contractual provisions of the instruments. Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

2 Significant accounting policies (continued)

Financial liabilities at fair value through profit or loss

Financial liabilities are classified as measured at fair value through profit or loss when the financial liability is held for trading. A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of selling or repurchasing it in the near term, or
- on initial recognition it is part of a portfolio of identified financial instruments that the company manages together and has a recent actual pattern of short-term profit taking, or
- it is a derivative that is not a financial guarantee contract or a designated and effective hedging instrument.

Financial liabilities at fair value through profit or loss are stated at fair value with any gains or losses arising on remeasurement recognised in profit or loss.

Other financial liabilities

Other financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

2.11 Equity instruments

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

Share capital represents the nominal value of equity shares that have been issued.

The 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.

Retained earnings represent all current and prior period retained profit and losses.

Currency translation reserve represents cumulative foreign exchange differences arising from the translation of the financial statements of foreign investments.

Non-controlling interest represents the minority shareholder's ownership interest related to the Group's subsidiaries, Driift Holdings Ltd, Driift Live Ltd, Driift Live, Inc, ATC Live LLP, Familiar Music Group LLC, and ATC Artist Management, Inc. The Group reports its non-controlling interest in subsidiaries as a separate component of equity in the Consolidated Statement of Financial Position and Consolidated Statement of Changes in Equity. Non-controlling interests are measured at the net asset value of entities and do not account for potential voting rights.

2.12 Taxation

Deferred taxation

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Consolidated Group Financial Information. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and expected to apply when the related deferred tax is realised or the deferred liability is

2 Significant accounting policies (continued)

settled. Deferred tax assets are recognised to the extent that it is probable that the future taxable profit will be available against which the temporary differences can be utilised.

Income taxation

Current income tax assets and liabilities are measured at the amount to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the jurisdictions where the Group operates and generates taxable income.

2.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2.15 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- leases of low value assets; and

- leases with a duration of 12 months or less.

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Right-of use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used, which the All Things Considered Group Plc directors have assessed to be 2.5%.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate

2 Significant accounting policies (continued)

on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

2.16 Grants

Government grants are recognised when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants, which include amounts received under the Coronavirus Job Retention Scheme, are recognised at the fair value of the grant received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received. The income is recognised in other income on a systematic basis over the periods in which the associated costs are incurred, using the accrual model.

Government grants, which include the amounts received from the Coronavirus Business Interruption Loan Scheme that cover interest and fees payable to the lender, are recognised at the fair value of the grant received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received. The income is recognised in other income on a systematic basis over the periods in which the associated costs are incurred, using the accrual model.

2.17 Foreign currency transactions and translation

The Consolidated Group Financial Information is presented in Pounds Sterling, which is the functional currency of the parent company.

Transactions in foreign currencies are translated into £ at the rate of exchange on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date. The resulting gain or loss is reflected in the “Consolidated Statements of Comprehensive Income” within either “Finance income” or “Finance costs”.

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of the “Statement of Financial Position”;

- income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, the Group recognises in “other comprehensive income” the exchange differences arising from the translation of the net investment in foreign entities, and of monetary items receivable from foreign subsidiaries for which settlement is neither planned nor likely to occur in the foreseeable future.

3 Adoption of new and revised standards and changes in accounting policies

In the current year, the following new and revised Standards and Interpretations have been adopted by the Group and have an effect on the current period or a prior period.

IFRS 16 "Leases"

In January 2016, the IASB issued IFRS 16 "Leases". The standard establishes the principles for the recognition, measurement, presentation and disclosure of leases for both the lessee and lessor. The standard requires all lease transactions (with terms in excess of 12 months) to be recognised on the statement of financial position as lease assets and lease liabilities, and to depreciate lease assets separately from interest on lease liabilities in the income statement. IFRS 16 "Leases" replaces the previous lease standard, IAS 17 "Leases", and related interpretations. This standard became effective on 1 January 2019. The standard can be applied using either the full retrospective approach or a modified retrospective approach at the date of adoption. The Group has adopted IFRS 16 "Leases" with full retrospective effect.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

IAS 1 "Presentation of Financial Statements" and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors (Amendment – Definition of Material)"

The amendments provide a new definition of material that states "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."

The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the consolidated financial information.

3 Adoption of new and revised standards and changes in accounting policies (continued)

Amendments to IFRS 3: Definition of a Business

The amendments to IFRS 3 clarify that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. Furthermore, it was clarified that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the consolidated financial information of the Group but may impact future periods should the Group enter into any business combinations.

Amendments to IFRS 7, IFRS 9 and IAS 39: Interest Rate Benchmark Reform

The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. These amendments had no impact on the consolidated financial information of the Group as it does not have any interest rate hedge relationships.

Amendments to IFRS 16 - Effective for accounting periods commencing on or after 1 June 2020

COVID-19 related rent concessions. The amendment exempts lessees from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the COVID-19 pandemic are lease modifications and allow lessees to account for such rent concessions as if they were not lease modifications. It applies to COVID-19 related rent concessions that reduce lease payments due on or before 30 June 2021.

IBOR reform and its effects on financial report – phase 2 - Effective for accounting periods commencing on or after 1 January 2021

In April 2020, the IASB issued exposure draft 2020/1, proposing amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 relating to interest rate benchmark reform ('IBOR – phase 2'). The IASB issued the final amendments in August 2020, which are mandatorily effective for annual periods beginning on or after 1 January 2021

Except for IFRS 16, these amendments had no impact on the consolidated financial information of the Group. The implementation of IFRS 16 led to an increase in the loss for the year by £16,886, an increase in assets by £323,758 and an increase in liabilities of £388,525.

3 Adoption of new and revised standards and changes in accounting policies (continued)

Standards which are in issue but not yet effective

At the date of authorisation of the financial statements, the following Standards and Interpretations, which have not been applied in the financial statements, were in issue but not yet effective:

Annual Improvements to IFRSs – 2018-2020 cycle - Effective for accounting periods commencing on or after 1 January 2022	Minor amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41.
IAS 16 Property, Plant and Equipment - Effective for accounting periods commencing on or after 1 January 2022	Amendment – Proceeds before Intended Use.
IAS 37 Provisions, Contingent Liabilities and Contingent Assets - Effective for accounting periods commencing on or after 1 January 2022	Amendment – Onerous Contracts – Cost of Fulfilling a Contract.
IFRS 3 Business Combinations - Effective for accounting periods commencing on or after 1 January 2022	Amendment – Reference to the Conceptual Framework.
IAS 1 - Effective for accounting periods commencing on or after 1 January 2023	In January 2020, the IASB issued amendments to IAS 1 "Presentation of Financial Statements", which clarify the criteria used to determine whether liabilities are classified as current or non-current. These amendments clarify that current or non-current classification is based on whether an entity has a right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. The amendments also clarify that 'settlement' includes the transfer of cash, goods, services, or equity instruments unless the obligation to transfer equity instruments arises from a conversion feature classified as an equity instrument separately from the liability component of a compound financial instrument.

Management anticipates that these new standards, interpretations and amendments will be adopted in the financial statements as and when they are applicable. The adoption of these new standards, interpretations and amendments, will be reviewed for their impact on the financial statements prior to their initial application.

4 Critical accounting estimates and judgements

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4 Critical accounting estimates and judgements (continued)

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Critical judgements
Goodwill impairment assessment

IFRS requires the Directors to undertake an annual test for impairment of goodwill if events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Impairment testing is an area involving judgement in determining estimates, requiring assessment as to whether the carrying value of assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate. In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of highly uncertain matters including management's expectations of:

- growth in EBITDA, calculated as adjusted operating profit before depreciation and amortisation;
- the level of capital expenditure to support long-term growth; and
- the selection of discount rates to reflect the risks involved.

The Directors prepare and approve cash flow projections which are used in the fair value calculations. Changing the assumptions selected by the Directors, in particular the discount rate and growth rate assumptions used in the cash flow projections, could significantly affect their impairment evaluation and hence the Group's results.

Valuation of investment in Flymachine

The group's investment in Flymachine is required to be revalued at each reporting date at fair market value, which involves considerable judgement and depends on a number of factors. Flymachine is in the start-up phase of its development and the value adopted is based on the valuation attributed to the most recent fund raising round, which is close to the year end.

Key sources of estimation uncertainty
Accruals for amounts payable to PROs on live streamed events

Accruals are made for amounts which the directors anticipate will be payable to global performing rights organisations (PROs) for live streamed events. The accrual is based on 9 per cent. of gross ticket sales for broadcasting live streamed events that the directors estimate will become payable. At the year end, this amounted to £619,472 (2020: £416,035). At 31 December 2021, PROs throughout the world had yet to agree the licensing structure for live streaming events. In respect of all the live stream events that the Group has produced to date, it has not paid any licence fees to the relevant PROs. The collecting society in the UK, PRS for Music, has recently announced that its licence fee will be 10 per cent but the Group is waiting for the final licence agreement from PRS. The licence fee for other jurisdictions is yet to be determined but in the US, for example, industry expectations are that it will be less than 10 per cent. Should the Group increase the PRO accrual from 9 per cent. to 10 per cent. it would increase the loss for the year ended 31 December 2021 by £62,000 (2020: £42,000).

5 Revenue

	2021	2020
	£	£
Revenue analysed by geographical market		
United Kingdom	5,068,283	3,139,084
Europe	860,023	1,668,000
United States of America	2,631,178	1,373,101
Rest of the world	584,154	920,000
	9,143,638	7,100,185

6 Segmental analysis

	Artist management and development	Live streamed events	Total
	2021	2021	2021
	£	£	£
Revenue	4,501,426	4,642,212	9,143,638
Cost of sales	(2,088,401)	(6,209,493)	(8,297,894)
Gross profit	2,413,025	(1,567,281)	845,744
Other operating income			
Other income	523,896	-	523,896
Administrative expenses	93,621	545,979	639,600
Provision for amounts owed by associates and joint ventures	(4,268,933)	(1,121,944)	(5,390,877)
Operating profit/(loss)	(1,238,391)	(2,143,245)	(3,381,636)
Share of results of associates and joint ventures	167,568	-	167,568
Finance income	4,852	-	4,852
Finance costs	(83,833)		(83,833)
Interest on finance leases	(13,135)		(13,135)
Provision against amounts owed by participating interests	(333)		(333)
Adjusted loss before tax	(546,538)	(2,143,245)	(2,689,783)
IPO and related costs	(616,735)	-	(616,735)
Profit/(Loss) before taxation	(1,163,273)	(2,143,245)	(3,306,518)
Income tax expense	(1,256)		(1,256)
Profit/(Loss) for the year	(1,164,529)	(2,143,245)	(3,307,774)
Assets and liabilities			
Total assets	6,473,124	3,395,862	9,868,986
Total liabilities	(5,432,212)	(2,184,318)	(7,616,530)
Net assets	1,040,912	1,211,544	2,252,456

6 Segmental analysis

	Artist management and development	Live streamed events	Total
	2020	2020	2020
	£	£	£
Revenue	2,383,493	4,716,692	7,100,185
Cost of sales	(1,862,392)	(4,345,849)	(6,207,950)
Gross profit	521,392	370,843	892,235
Other operating income	434,762	-	434,762
Administrative expenses	(1,166,200)	(242,187)	(1,408,387)
Provision for amounts owed by associates and joint ventures	(235,250)		(235,250)
Operating loss	(445,296)	128,656	(316,640)
Share of results of associates and joint ventures	40,012		40,012
Finance income	34,652		34,652
Finance costs	(98,845)	(10)	(98,855)
Loss before taxation	(469,476)	128,646	(340,831)
Income tax expense	(966)	-	(966)
Loss for the year	(470,443)	128,646	(341,797)
Assets and liabilities			
Total assets	2,317,095	2,594,808	4,911,903
Total liabilities	(3,530,360)	(2,335,761)	(5,866,121)
Net assets	(1,213,265)	259,047	(954,218)

7 Other operating income

	2021	2020
	£	£
Government grants received	523,896	427,866
Film tax relief credit	545,979	-
Sundry income	93,621	6,896
	1,163,496	434,762

8 Administrative expenses by nature

	2021	2020
	£	£
Staff costs	2,364,472	782,420
Rent, rates and services costs	367,960	35,472
IPO and related costs	616,735	-
Legal and professional fees	642,641	148,105
Consultancy fees	580,895	279,528
Depreciation of property, plant and equipment	133,023	127,549
Exchange losses	61,406	(12,517)
Profit or loss on sale of tangible assets	(19,694)	6,143
Travelling expenses	120,476	19,536
Other expenses	522,963	22,151
	5,390,877	1,408,387

9 Auditors' remuneration

	2021	2020
	£	£
Fees payable to the Company's auditor:		
For audit services		
Audit of the financial statements of the Group	55,000	-
For non-audit services		
For reporting accountants role in connection with admission to Aquis Exchange Growth Market	145,000	-

10 Staff costs

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

	2021 Number	2020 Number
Administrative	2	1
Business affairs	1	1
Accounts	3	1
Managers and assistants	49	14
	55	17

Their aggregate remuneration comprised:

	2021	2020
	£	£
Wages and salaries	2,085,658	715,114
Social security costs	236,037	51,134
Pension costs	42,777	16,172
	2,364,472	782,420

11 Directors' remuneration and remuneration of key management personnel

	Fees/ consultancy	Salary/ benefits	2021 Total	2020 Total
Directors	£	£	£	£
Adam Driscoll	50,000	82,500	132,500	
Brian Message	-	-	-	-
Craig Newman	-	770	770	770
Ramses Villanueva	-	-	-	-
Andy Glover	-	-	-	-
Shirin Foroutan	-	-	-	-
	50,000	83,270	133,270	770

Key management personnel:

			2021	2020
			£	£
Remuneration of key management personnel			460,034	293,946
Remuneration disclosed above include the following amounts paid to the highest paid director:				
Remuneration for qualifying services	50,000	82,500	132,500	-

During the year ended 31 December 2021, a profit share of £255,492 (2020: £182,092) was paid to Courtyard Music Management LLP, an entity in which Brian Message and Craig Newman are members.

12 Earnings per share

	2021	2020
Basic and diluted earnings/(loss) per share	(34.51) pence	(4.25) pence
Basic and diluted number of shares in issue	9,584,020	6,871,599

Basic earnings per share is calculated by dividing the profit/loss after tax attributable to the equity holders of All Things Considered Group Plc by the numbers of shares in issue after the allotment of ordinary shares on 14 December 2021. The same number of shares is used for the corresponding period in order to provide a meaningful comparison.

13 Finance income

	2021	**2020**
	£	**£**
Interest income		
Bank deposits	4,852	229
Other interests income	-	34,423
	4,852	34,652

Total interest income for financial assets that are not held at fair value through profit or loss is £4,852 (2020 - £229).

14 Finance costs

	2021	2020
	£	£
Interest on bank overdrafts and loans	761	4,540
Interest on lease liabilities	13,135	16,320
Interest on other loans	83,072	77,995
	96,968	98,855

15 Income tax expense

	2021	**2020**
	£	**£**
Current tax		
UK corporation tax on losses for the current period	-	(280)
Foreign taxes and reliefs	1,256	1,246
	1,256	966

The difference between the statutory income tax rate and the effective tax rates are summarised as follows:

	31 December 2021	**31 December 2020**
Profit/(loss) before income taxes	(3,307,774)	(412,739)
Expected tax at statutory UK corporation tax rate of 19%	(628,477)	(78,420)
Increase/(decrease) in tax resulting from:		
Effect of different tax rates in foreign jurisdictions	(27,081)	12,913
Tax losses utilised	181,597	(12,412)
Capital allowances less depreciation	(1,894)	680
Losses carried forward	471,027	23,347
Non-deductible expenditure	101,070	55,535
Other adjustments	(94,985)	(676)
	1,256	966

At 31 December 2021 the Group has £5,496,781 (2020: £2,615,515) of tax losses available to be carried forward against future profits.

From April 2023, the corporation tax rate will increase from 19% to 25%.

16 Goodwill

	Goodwill
	£
Cost	
At 1 January 2021	-
Additions	1,135,403
At 31 December 2021	1,135,403
Impairment	-
At 1 January 2021	-
Charge for the year	-
At 31 December 2021	-
Net book value	
At 31 December 2021	1,135,403
At 31 December 2020	-

On 1 January 2021, the Group acquired a further 40% share in ATC Live LLP, bringing the Group's interest to 90%, for £nil consideration resulting in goodwill of £517,438.

On 12 February 2021, the remaining 51% interest in Your Army LLC, previously a 49% associate, was acquired by the Group for consideration of $640,000 (equating to £474,179) resulting in goodwill of £354,188.

On 19 February 2021, 100% of ATC Artist Management Inc (formerly Courtyard Productions Inc) was acquired for £nil consideration, resulting in goodwill of £233,231.

On 12 April 2021, the group acquired a further 10% share in Familiar Music Group LLC, bringing the Group's interest to 55%, for £nil consideration resulting in goodwill of £30,546.

	ATC Live LLP	ATC Artist Management Inc	Your Army LLC	Familiar Music Group LLC	Total
	£	£	£	£	£
Goodwill on acquisitions					
Total consideration (see below)	-	-	474,179	-	474,179
Plus: Fair value of previously held equity interest	434,506	-	115,257	-	549,763
Less: Share of fair value of net (assets)/ liabilities acquired (see below)	82,932	233,231	(235,248)	30,546	111,461
Total goodwill	517,438	233,231	354,188	30,546	1,135,403
Consideration satisfied by:					
Cash	-	-	474,179		474,179
Share of fair value of net assets/ (liabilities) acquired:					
Cash and cash equivalents	566,897	10,571	166,827	4,583	748,878
Property, plant and equipment	8,065	946	68	-	9,079
Trade and other receivables	11,793	391,892	71,529	3,618	478,832
Trade and other payables	(628,901)	(636,640)	(3,176)	(63,740)	(1,332,457)
Borrowings	(50,000)		-	-	(50,000)
	(92,146)	(233,231)	235,248	(55,539)	(145,668)
Percentage acquired	40%	100%	51%	55%	
	(82,932)	(233,231)	235,248	(30,546)	111,461
Net cash inflow/(outflow) arising on acquisition					
Cash consideration	-	-	(474,179)	-	(474,179)
Total cash and cash equivalents acquired	566,897	10,571	166,827	4,583	748,879
	566,897	10,571	307,352	4,583	274,700

On each of the acquisitions, no separate intangible assets were identified and the difference between the consideration and the fair value of assets acquired was all attributed to goodwill.

Impairment testing was undertaking using projections for three years and a terminal value. Applying an appropriate discount rate, there was adequate headroom for each element of goodwill.

17 Property, plant and equipment

	Right of use assets	Short Leasehold	Fixtures and fittings	Computers	Total
	£	£	£	£	£
Cost					
At 1 January 2020	714,946	43,666	44,567	118,794	921,973
Additions	-	-	1,294	6,383	7,677
Disposals	-	-	-	(94,522)	(94,522)
Foreign currency adjustments	-	-	(458)	-	(458)
At 31 December 2020	714,946	43,666	45,403	30,655	834,670
Additions	-	-	829	20,154	20,983
Additions as a result of business combinations	-	-	836	7,229	8,065
Foreign currency adjustments	-	-	-	3,346	3,346
At 31 December 2021	714,946	43,666	47,068	61,384	867,064
Accumulated depreciation					
At 1 January 2020	119,980	34,748	39,379	101,118	295,225
Charge for the year	119,979	1,486	1,605	4,497	127,549
Eliminated on disposal	-	-	-	(88,379)	(88,379)
Foreign currency adjustments	-	-	(397)	-	(397)
At 31 December 2020	239,959	36,234	40,587	17,218	333,998
Charge for the year	119,979	1,487	1,292	10,265	133,023
Foreign currency adjustments	-	-	-	1,537	1,537
At 31 December 2021	359,938	37,721	41,879	29,020	468,558
Carrying amount					
At 31 December 2021	355,008	5,945	5,189	32,264	398,506
At 31 December 2021	474, 987	7,432	4,816	13,437	500,672

Property, plant and equipment includes right-of-use assets, as follows:

Right-of-use assets

	2021	2020
	£	£
Net values	-	-
Property	355,008	474,987
Additions	-	-
Depreciation charge for the year		
Property	119,979	119,979

18 Investments

	Current		Non-current	
	2021	2020	Non-current 2021	2020
	£	£	£	£
Investments in associates and joint ventures	-	-	52,458	726,008
Unlisted investments	-	-	192,146	9
	-	-	244,604	726,017

Fair value of financial assets carried at amortised cost

Except as detailed below the directors believe that the carrying amounts of financial assets carried at amortised cost in the financial statements approximate to their fair values.

Movements in non-current investments

	Investments in associates and joint ventures
	£
Share of net assets - cost	
At 1 January 2020	948, 232
Net amount (withdrawn)/invested in associates and joint ventures	(30,971)
Share of profit/(Loss) for the year	40,012
Foreign currency adjustments	(4,983)
At 31 December 2020	952,290
Net amount (withdrawn)/invested in associates and joint ventures	(281,110)
Share of profit/(Loss) for the year	167,568
Reclassification of associates to subsidiaries	(549,778)
Foreign currency adjustments	(648)
At 31 December 2021	288,322
Share of net assets - impairment	
At 1 January 2021 & 31 December 2020	226,282
Impairment losses	9,582
At 31 December 2021	235,864
Carrying amount	
At 31 December 2021	52,458
At 31 December 2020	726,008
At 31 December 2019	948,232

Disposals of associates relate to the acquisition of ATC Live LLP and Your Army LLC as subsidiaries during the year. See further details of these transactions in note 16.

Movements in unlisted investments

Fair value of unlisted investments	£
As at 1 January 2021	9
Addition	53,076
Revaluation	139,061
As at 31 December 2021	192,146

Unlisted investments represent a 5% shareholding in Flymachine, Inc. , an early stage music live-streaming business in the USA.

18 Investments (continued)

Fair Value Estimation

Fair value measurements are disclosed according to the following fair value measurement hierarchy:

• quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

• inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices), or indirectly (that is, derived from prices) (Level 2);

• inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3). This is the case for unlisted equity securities.

The following table represents the Group's assets that are measures at fair value at 31 December 2021:

	Level 1	Level 2	Level 3	Total
Equity Holdings	-	-	192,146	192,146
	-	-	192,146	192,146

Associates

Details of the company's associates at 31 December 2021 are as follows

Name of undertaking	Registered office	Principal activities	Class of shares held	% held indirect	Voting
Formless World LLC	15821 Ventura Blvd, Suite 370,Encino, CA 91436, United States of America	Non trading	Common control	-	33.00
Vice Music Ltd	The Hat Factory 166-168 Camden Street, London, Nw1 9pt, United Kingdom, NW1 9PT	Non trading	Common control	49.00	49.00
Frank Carter & The Rattlesnakes LLP	3rd Floor, 5 Chancery Lane, London, England, WC2A 1LG	Touring service company	Members capital	33.00	33.00

One Two Many LLC and Formless World LLC are indirect associates of All Things Considered Limited. These two entities are direct associates of ATC Artist Management Inc (formerly Courtyard Productions Inc).

Frank Carter & The Rattlesnakes LLP is an indirect associate of All Things Considered Limited. Frank Carter & The Rattlesnakes LLP is a direct associate of Polyphonic Limited.

Joint ventures

Number of undertaking	Registered office	Principal activities	Class of shares held	% Held Indirect	% Held Voting
ATC 1 LLP	1	Dormant	Members capital	50.00	50.00
ATC 3 LLP	1	Dormant	Members capital	50.00	50.00
ATC 4 LLP	1	Music management consultants	Members capital	50.00	50.00
ATC 7 LLP	1	Music management consultants	Members capital	50.00	50.00
ATC 9 LLP	1	Music management consultants	Members capital	50.00	50.00
One Eskimo LLP	1	Music management services	Members capital	50.00	50.00

1 - The registered office address of these joint ventures is The Hat Factory, 166-168 Camden Street,London, United Kingdom, NW1 9PT.

18 Investments (continued)

Share of results of associates and joint ventures

	2021	2020
	£	£
ATC Live LLP	-	(291,085)
ATC 3 LLP	-	(27,317)
ATC 4 LLP	154,439	303,407
ATC 7 LLP	630	13,192
ATC 9 LLP	28,251	19,446
One Eskimo LLP	510	1,430
Frank Carter & The Rattlesnakes LLP	-	-
Your Army LLC	(16,262)	20,939
	167,568	40,012

19 Subsidiaries

Details of the company's subsidiaries at 31 December 2021 are as follows

Name of undertaking	Address	Principal activities	Class of Shares held	Direct	% Held Indirect	Voting
All Things Considered Limited	1	Music management services	Ordinary shares	100.00	-	100
Polyphonic Limited	1	Music management services	Ordinary shares	-	100	100
ATC Productions Limited	1	Dormant	Ordinary shares	-	100	100
ATC Royalties Limited	1	Publishing royalty collection	Ordinary shares	-	100	100
Driift Holdings Ltd	1	Holding company	Ordinary shares	-	52	52
Driift Live Ltd	1	Online music promoter	Ordinary shares	-	-	52
Driift Live Inc	2	Online music promoter	Ordinary shares	-	-	52
ATC North America Inc	2	Holding Company	Ordinary shares	-	100	100
ATC Media Inc	2	Holding Company	Ordinary shares	-	-	90
ATC Artist Management Inc (Formerly known as Courtyard Productions Inc)	2	Music management services	Ordinary shares	-	-	90
Familiar Music Group LLC	2	Brand partnership and synch consultants	Membership interest	-	-	55
Live X LLC	2	Dormant	Membership interest	-	-	100
Your Army America LLC	2	Club, Radio and Digital music consultants	Membership interest	-	100	100
Your Army America LP	2	Club, Radio and Digital music consultants	Members capital	-	100	100
ATC Live LLP	1	Live music booking	Members capital	-	90	90
ATC Live Agency Limited	1	Live music booking	Ordinary shares	-	100	100

Registered office addresses (all UK unless otherwise indicated):

1 The Hat factory 166-168 Camden Street, London, NW1 9PT, United Kingdom, NW1 9PT
2 15821 Ventura Blvd, Suite 370, Encino, CA 91436, United States of America

At 31 December 2021, All Things Considered Group Plc held 52% of the shares and voting rights in Driift Holdings Ltd. Driift Holdings Ltd holds 100% of the shares and voting rights in Driift Live Ltd and Driift Live Inc. During the year, the non-controlling interest changed from 40% to 48% following investment by Deezer S.A. into Driift Holdings Ltd.

ATC Artist Management Inc. (formerly known as Courtyard Production, Inc) became a wholly owned subsidiary on 19 February 2021 when the shareholders transferred their interest to the Group for £nil consideration. Prior to this, ATC Artist Management Inc. was under common management and control for the duration of the periods presented.

In February 2021, there was a conversion of ATC North America LLC and ATC North America LP, both wholly-owned subsidiary undertakings of the group into ATC North America Inc.

On 20 February 2021, All Things Considered Limited transferred its shares in ATC Artist Management Inc. to ATC

19 Subsidiaries (continued)

North America Inc. for £nil consideration. On 1 April 2021, ATC North America Inc. sold 10% of its shares in ATC Artist Management Inc. for $500.

ATC Media Inc. was incorporated on 3 March 2021. This company is 90% owned by ATC North America Inc. ATC Artist Management Inc. contributed its interest in Familiar Music Group LLC (55%) and Formless World LLC (33.3%) to ATC Media Inc. on 6 May 2021 for £nil consideration. ATC North America Inc. contributed its interest in Live X LLC (100%) to ATC Media Inc. on 6 May 2021 for £nil consideration.

Driift Holdings Limited holds 100% of the share capital of Driift Live Ltd and Driift Live Inc. Driift Live inc was incorporated on 8 February 2021.

The following companies are exempt from the obligation to have their individual financial statements audited pursuant to Section 479a of the 2006 Companies Act:

All Things Considered Limited, registration number 03164812
ATC Live LLP, registration number OC362561
Polyphonic Limited, registration number 11540636
ATC Royalties Limited, registration number 07900547

20 Trade and other receivables

	2021	2020
	£	£
Trade receivables	751,059	458,266
Other receivables	742,285	881,289
Prepayments and accrued income	1,064,857	167,154
	2,558,201	1,506,709

The directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value.

21 Borrowings

		Current		Non-current
	2021	2020	2021	2020
	£	£	£	£
Borrowings held at amortised cost:				
Bank loans	-	95,414	-	-
Other loans	124,068	486,816	1,676,986	1,725,548
	124,068	582,230	1,676,986	1,725,548

£342,312 (2020: £445,325) of the borrowings of the group are secured against personal guarantees provided by certain directors including a first fixed charge over book and other debts and a first floating charge over all assets.

The bank loan of £Nil (2020: £95,414) was fully repaid during the year to 31 December 2021. The loan was secured over the assets of the company.

21 Borrowings (continued)

Other loans	Interest rate per annum	Terms	2021 £	2020 £
Unsecured	1% over base rate	This loan has been repaid during the year by cash of £10,050 and the issue of 618 shares at £275 per share.	-	180,000
Unsecured	2.5%	Interest is payable quarterly. The loan is repayable in annual instalments of £50,000 commencing on 1 October 2021 with the balance requiring repayment in full by 1 October 2030.	1,015,027	1,000,000
Unsecured	7.9%	The loan and interest is repayable in monthly instalments of £10,711 with the final repayment date being 28 December 2024.	342,312	445,325
Secured	3.65% over base rate	The first twelve months on interest from 2 July 2020 is payable by the UK government rather than the Group. Interest is then payable quarterly by the Group and the loan itself is repayable in monthly instalments of £2,916 commencing July 2021. The loan is secured over the assets of the company.	160,416	171,754
Unsecured	Interest-free	This loan is repayable in quarterly instalments of £25,000 from 30 September 2021, rising to quarterly instalments of £50,000 from 30 September 2022 to 30 June 2024.	238,622	315,285
Unsecured	2%	Interest is payable quarterly. The loan is repayable by 31 December 2025 or at the sole discretion of the lender if the company has raised sufficient funds from share issues prior to this date.	-	100,000
Unsecured	2.5%	Interest is payable quarterly. The loan is repayable by monthly instalments of £837 ending in February 2026.	44,677	-
Total other loans			1,801,054	2,212,364

22 Trade and other payables

	2021	2020
	£	£
Trade payables	2,003,944	207,686
Accruals	1,404,222	2,009,904
Social security and other taxation	287,576	332,027
Funds held on behalf of clients	1,027,793	-
Other payables	650,331	483,327
	5,373,866	3,032,944

23 Cash and cash equivalents

	2021	2020
	£	£
Own funds	4,504,479	2,178,505
Funds held on behalf of clients	1,027,793	-
	5,532,272	2,178,505

24 Financial instruments

	2021	2020
Carrying amount of financial assets	£	£
Financial assets measured at amortised cost	2,129,396	949,551
Financial assets at fair value through the profit and loss account	5,532,272	2,178,505
Carrying amount of financial liabilities		
Financial liabilities at amortised cost	6,940,427	5,008,695

The directors consider the carrying amounts of financial assets and liabilities carried at amortised cost in the financial statements approximate to their fair values and are measured in accordance with the accounting policy set out in Note 2.

25 General risk assessment principles

The Group's activities expose it to a variety of risks including market risk (interest rate risk), credit risk and liquidity risk. The Group manages these risks through an effective risk management programme and through this programme, the Board seeks to minimise potential adverse effects on the Group's financial performance. The Directors have an overall responsibility for the establishment of the Group's risk management framework. A formal risk assessment and management framework for assessing, monitoring and managing the strategic, operational and financial risks of the Group is in place to ensure appropriate risk management of its operations.

The subsequent headings set out the key financial risks that the Group faces.

Liquidity risk

Liquidity risk arises from the Group's management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, it closely monitors its access to bank and other credit facilities in comparison to its outstanding commitments on a regular basis to ensure that it has sufficient funds to meet the obligations as they fall due.

The Board receives regular forecasts which estimate cash flows over the next eighteen months, so that management can ensure that sufficient funding is in place as it is required.

The tables below summarise the maturity profile of the combined group's non-derivative financial liabilities at each financial year end based on contractual undiscounted payments, including estimated interest payments where applicable:

	Less than 6 months	6 months to 1 year	1 – 5 years	5+ years	Total
	£	£	£	£	£
At 31 December 2020					
Trade payables	207,686	-	-	-	207,686
Other payables	1,337,497	-	-	-	1,337,497
Accruals	2,009,905	-	-	-	2,009,905
Loans and borrowings	217,723	302,468	1,023,333	767,500	2,311,024
	3,772,811	302,468	1,023,333	767,500	5,866,112
At 31 December 2021					
Trade payables	2,003,944	-	-	-	2,003,944
Other payables	2,354,225	-	53,085	-	2,407,310
Accruals	1,404,222	-	-	-	1,404,222
Loans and borrowings	124,068	176,483	735,131	765,027	1,800,709
	5,886,459	176,483	788,216	765,027	7,616,185

25 General risk assessment principles (continued)

Market risk

Market risk management

The Group's live activities expose it to the financial risk of national shutdown due to a health pandemic. This is offset by its online live streaming activities.

Foreign exchange risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates.

The Group is exposed to currency risk as the assets of its subsidiary are denominated in US Dollars. At 31 December 2021, the net foreign liability was £458,000 (2020: £148,000). Differences that arise from the translation of these assets from US dollar to sterling are recognised in other comprehensive income in the year and the cumulative effect as a separate component in equity. The Group does not hedge this translation exposure to its equity.

A 5% weakening of sterling would result in a £22,000 increase in reported profits and equity, while a 5% strengthening of sterling would result in £24,000 decrease in profits and equity.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate exposure arises mainly from its interest-bearing borrowings. As well as fixed interest borrowing, the group has contractual agreements under floating rates which expose the entity to cash flow risk. Interest rate risk also arises on the Group's cash and cash equivalents.

The carrying amounts of financial liabilities which expose the company to cash flow interest rate risk are as follows:

	2021	2020
	£	£
Bank Loans	-	95,414
Other Loans	1,801,054	2,212,364
	1,801,054	2,307,778

An increase in the rate of interest by 100 basis points would decrease profits by approximately £18,000 (2020: £23,000) with an increase in profits by the same amount for a decrease in the rate of interest by 100 basis points.

Credit risk

Credit risk is the risk of financial loss to the Group if an Artist or a counterparty to a financial instrument fails to meet its contractual obligations.

The risk is limited due to the close working relationship with the artists and their financial representatives.

The maximum exposure to credit risk in respect of the above is the carrying value of financial assets recorded in the financial statements. At 31 December 2021, the Group has trade receivables of £751,059 (2020: £458,266).

The following table provides an analysis of trade receivables that were due at each financial year end. The Group believes that the balances, other than where already provided against, are ultimately recoverable based on a review of past impairment history and the current financial status of customers. The Directors are unaware of any factors affecting the recoverability of outstanding balances at 31 December 2021 and, consequently, no further provisions have been made for bad and doubtful debts.

25 General risk assessment principles (continued)

The allowance for bad debts has been calculated using a 12-month lifetime expected credit loss model, as set out below, in accordance with IFRS 9.

	2021	2020
	£	£
Current	132,571	219,728
1 - 30 days	314,759	171,557
31 - 60 days	152,088	20,347
61 - 90 days	62,052	10,634
91 + days	89,589	57,957
Provision for impairment of trade receivables	-	(21,957)
Total trade receivables - net	751,059	458,266

Capital risk management

The Board has overall responsibility for the determination of the Group's risk management objectives and policies. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. The Group reports in Sterling. All funding requirements and financial risks are managed based on policies and procedures adopted by the Board of Directors.

The Group manages its capital to ensure its ability to continue as a going concern and to maintain an optimal capital structure to reduce cost of capital. The capital structure of the Group comprises equity attributable to equity holders of the Company consisting of invested capital as disclosed in the Statement of Changes in Equity and cash and cash equivalents.

The Group's invested capital is made up of share capital, share premium, currency translation reserve and retained earnings totalling £2,054,808 as at 31 December 2021 (2020: negative £1,186,244) as shown in the statement of changes in equity.

The Group maintains or adjusts its capital structure through the payment of dividends to shareholders and issue of new shares.

The company is not subject to any externally imposed capital requirements.

26 Right of use lease liabilities

	2021	2020
Maturity analysis	£	£
Within one year	150,000	150,000
In two to five years	257,055	407,055
Total undiscounted liabilities	407,055	557,055
Future finance charges and other adjustments	(18,530)	(31,665)
Lease liabilities in the financial statements	388,525	525,390

Lease liabilities are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	2021	2020
	£	£
Current liabilities	140,287	136,865
Non-current liabilities	248,238	388,525
	388,525	525,390

	2021	2020
Amounts recognised in profit or loss include the following:	£	£
Interest on lease liabilities	13,135	16,320

26 Right of use lease liabilities (continued)

Lease payments represent rentals payable by All Things Considered Limited for its business premises (property). The lease term for the business premises ends on 15 December 2024.

There are no contingent rent, renewal or purchase options and escalation clauses in the lease agreement. There are no significant restrictions imposed by lease arrangements.

The incremental borrowing rate at the date of initial application (i.e. the rate at 1 January 2019) for the business premises is 2.5% per annum.

Other leasing information

All Things Considered Limited holds three leases for low-value items. The lease term for these three leases ends within 2 to 5 years. There are no contingent rent, renewal or purchase options and escalation clauses in the lease agreements. There are no significant restrictions imposed by lease arrangements.

	2021	2020
	£	£
Expenses relating to leases of low-value assets	3,228	1,971

Set out below are the future cash outflows to which the lessee is potentially exposed that are not reflected in the measurement of lease liabilities:

	2021	2020
Operating lease costs apart from land and buildings	£	£
Within one year	1,280	2,075
Between two and five years	513	1,793
	1,793	3,868

27 Retirement benefit schemes

Defined contribution schemes

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

The total costs charged to income in respect of defined contribution plans is £42,777 (2020 - £16,172). At the year end £19,713 in respect of these costs remained outstanding (2020 - £9,269).

28 Reserves

	2021	2020	2021	2020
Ordinary share capital	**Number**	**Number**	**£**	**£**
Issued and fully paid				
Ordinary shares of £0.01 (2020: £1) each	95,840,020	32,649	95,840	32,649

	Number of shares	Share capital
	No.	**£**
Issued share capital in All Things Considered Ltd at 31 December 2020	34,358	34,358
At 31 December 2020	34,358	34,358
Exchanged for shares in All Things Considered Group Plc	6,871,599	68,716
Share issued on incorporation	1	-
Shares issued 14 December 2021	2,712,420	27,124
At 31 December 2021	9,584,020	95,840

The Company has one class of Ordinary shares. The Ordinary shares have full voting, dividend and capital distribution (including on winding up) rights. They do not confer any rights of redemption or carry any right to fixed income.

During the year ended 31 December 2020, 13,093 Ordinary shares of £1 each were issued for proceeds of £610,402 to provide additional working capital for All Things Considered Limited, a subsidiary of All Things Considered Group Plc.

On 11 November 2021, All Things Considered Group Plc issued 6,871,599 Ordinary shares of £0.01 each in exchange for the entire share capital of All Things Considered Limited.

On 14 December 2021, 2,712,420 shares were issued leading to a further £27,412 of share capital and share premium of £3,983,970, net of share issue costs.

On 14 December 2021, 119,800 warrants were granted to Canaccord Genuity Limited to subscribe for Ordinary Shares of £0.01 each in All Things Considered Group Plc. The charge to the profit and loss account in respect of these is immaterial for 2021 .

Merger reserve

A merger reserve is created as a separate component of equity, representing the difference between the share capital of the Company at the date of the Group reorganisation and that of the previous parent company of the Group.

Currency translation reserve

The currency translation reserve represents cumulative foreign exchange differences arising from the translation of the financial statements of foreign subsidiaries.

29 Significant non-cash transactions

The Group engaged in the following significant non-cash financing activities during the year:

On 30 April 2021, All Things Considered Limited, the previous Parent Company of the Group, converted £169,950 of outstanding loans into shares, resulting in £618 of share capital and £169,332 of additional share premium.

On 11 November 2021, All Things Considered Group Plc issued 6,871,599 Ordinary shares of £0.01 each in exchange for the entire share capital of All Things Considered Limited, the previous Parent Company of the Group.

30 Related party transactions

Transactions with related parties for the year ended 31 December 2021

During the year, the Group paid rent of £150,000 (2020: £150,000) to Pagham Investments Limited, a company which close family members of two of the directors Craig Newman and Brian Message have a significant interest in. The Group also paid rent of £178,240 (2020: £23,370) to Craig Newman during the year.

During the year the Group recharged overheads totalling £20,554 (2020: £79,903) to the following LLPs that the Group is a member of and has a significant interest in:

- ATC 9 LLP: £20,554 (2020: £27,535)
- ATC Live LLP: £nil (2020: £52,368).

In turn the group was recharged overheads totalling £800,468 (2020: £204,069) by the following LLPs that the Group is a member of and has a significant interest in:

- ATC 4 LLP: £798,898 (2020: £87,482)
- ATC 9 LLP: £1,570 (2020: £13,143)
- ATC Live LLP: £nil (2020: £103,444).

During the year, the Group paid interest of £5,389 (2020: £3,363) to director Craig Newman and £5,389 (2020: £3,363) to director Brian Message.

The remuneration of the directors and key management personnel is set out in note 11.

Balances with related parties as at 31 December 2021

At 31 December 2021, the Group owed £1,015,027 (2020: £1,000,000) to Pagham Investments Limited, a company which close family members of two of the directors, Craig Newman and Brian Message, have a significant interest in.

At 31 December 2021, the following represent the amount of members capital in LLPs and LLCs attributable to the Group and shown in ‘investments in associates and joint ventures’:

30 Related party transactions (continued)

	2021				2020		
	Members capital	Provision	Conversion to subsidiaries	Net	Members capital	Provision	Net
	£	£	£	£	£	£	£
ATC 1 LLP	-		-	-	53,451	(53,451)	-
ATC 3 LLP	-		-	-	90,755	(90,755)	-
ATC 4 LLP	-		-	-	171,337	(53,109)	118,228
ATC 7 LLP	398		-	398	26,283	(25,251)	1,032
ATC 9 LLP	52,060	-	-	52,060	40,060	-	40,060
ATC Live LLP	434,406	-	(434,406)	-	467,478	-	467,478
One Eskimo LLC	-		-	-	3,716	(3,716)	-
Your Army LLC	115,272	-	(115,272)	-	132,182		132,182
	602,136		(549,678)	52,458	985,262	(226,282)	758,980

31 Summarised financial information for associates and joint ventures

Year ended 31 December 2021	ATC Live LLP	ATC 4 LLP	ATC 9 LLP	Your Army LLC	Others	Total
	£	£	£	£	£	£
Income statement						
Revenue	-	528,058	82,479	-	3,413	613,951
Cost of sales	-	(7,308)	(19,978)	-	(244)	(27,530)
Gross profit	-	520,750	62,501	-	3,169	586,420
Other operating income	-	-	-	-	-	-
Administrative expenses	-	(5,952)	-	(16,262)	(260)	(6,212)
Profit/(loss) for the year	-	514,798	62,501	(16,262)	2,909	580,208
All Things Considered Limited's share of profit/(loss) for the year	**-**	**154,438**	**28,250**	**(16,262)**	**630**	**167,058**

As at 31 December 2021	ATC Live LLP	ATC 4 LLP	ATC 9 LLP	Your Army LLC	Others	Total
	£	£	£	£	£	£
Statement of financial position						
Assets						
Non-current assets						
Property, plant and equipment	-	2,258	912	-	-	3,440
	-	2,258	912	-	-	3,440
Current assets						
Trade and other receivables	-	29,770	(75,303)	-	199,165	153,632
Cash and cash equivalents	-	62,153	87,548	-	2,108	151,809
	-	91,923	12,245	-	201,273	305,442
Total assets	-	94,452	13,157	-	201,273	308,882
Liabilities						
Current liabilities						
Trade and other payables	-	63,247	43,381	-	300,917	407,545
Total liabilities	-	63,247	43,381	-	300,917	407,545
Net assets/(liabilities)	-	31,205	(30,225)	-	(99,643)	(98,663)
All Things Considered Limited's share of net assets/(liabilities)	**-**	**-**	**52,060**	**-**	**398**	**52,458**

31 Summarised financial information for associates and joint ventures (continued)

Year ended 31 December 2020	ATC Live LLP	ATC 4 LLP	ATC 9 LLP	Your Army LLC	Others	Total
	£	£	£	£	£	£
Income statement						
Revenue	320,434	686,112	121,917	856,265	15,047	1,999,775
Cost of sales	(53,157)	(17,715)	(39,491)	(82,478)	(99)	(192,940)
Gross profit	267,277	668,397	82,426	773,787	14,948	1,806,835
Other operating income	255,344	-	4,730	-	103,784	363,858
Administrative expenses	(845,545)	(5,473)	(36,604)	(659,166)	(875)	(1,547,663)
Operating profit/(loss)	(322,924)	662,294	50,552	114,621	117,857	623,030
Investment revenues	-	-	6	-	-	6
Finance costs	(503)	-	-	-	-	(503)
Income tax expense	-	-	-	(71,889)	-	(71,889)
Profit/(loss) for the year	(323,427)	662,924	50,558	42,732	117,857	550,644
All Things Considered Limited's share of profit/(loss) for the year	**(291,085)**	**303,407**	**19,446**	**20,939**	**-12,695**	**40,012**

As at 31 December 2020	ATC Live LLP	ATC 4 LLP	ATC 9 LLP	Your Army LLC	Others	Total
	£	£	£	£	£	£
Statement of financial position						
Assets						
Non-current assets						
Property, plant and equipment	8,065	1,637	237	69	-	10,008
	8,065	1,637	237	69	-	10,008
Current assets						
Trade and other receivables	11,793	406,716	32,458	90,006	103,882	644,855
Cash and cash equivalents	566,897	27,759	41,721	186,217	3,186	825,780
	578,690	434,475	74,179	276,223	107,068	1,470,635
Total assets	586,755	436,112	74,416	276,292	107,068	1,480,643
Liabilities						
Current liabilities						
Trade and other payables	628,901	431,360	122,246	6,533	187,680	1,376,720
	628,901	431,360	122,246	6,533	187,680	1,376,720
Non-current liabilities						
Borrowings	50,000	-	-	-	81,718	131,718
	50,000				81,718	131,718
Total liabilities	**678,901**	**431,360**	**122,246**	**6,533**	**269,398**	**1,508,438**
Net assets/(liabilities)	**(92,146)**	**4,752**	**(47,830)**	**269,759**	**(162,330)**	**(27,795)**
All Things Considered Limited's share of net assets/(liabilities)	**434,506**	**118,228**	**40,060**	**132,182**	**1,032**	**762,008**

32 Events after the reporting date

The Directors announced on 7 April 2022, that following receipt of a short-term promissory note loan of $6m, the Group had made a minority investment into a newly formed company, alongside a number of other parties. The funding group's total investment of $80m enabled the new venture to acquire Napster, with the aim of bringing blockchain and Web3 to artists and fans via future developments in the Napster business. The Company's equity interests in the newly formed company were subject to a pledge in favour of the lender, as sole security against ATC's obligations under the loan arrangement. The recent volatility in the crypto markets has led the Directors to reassess the Company's capacity to refinance the original loan. The Directors have therefore taken the decision to hand back the Company's equity interests to the original loan holder with negligible financial impact to the Group.

33 Controlling party

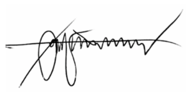
As at 31 December 2021, All Things Considered Group Plc did not have any one identifiable controlling party.

Company Statement of Financial Position as of 31 December 2021

	Notes	2021 £
ASSETS		
Investments	4	68,716
Non-current assets		68,716
Amounts due from group undertakings		3,483,612
Current assets		3,483,612
Total assets		3,552,328
EQUITY AND LIABILITIES		
Share capital	7	95,840
Share premium		4,003,970
Retained earnings		(693,948)
Total equity		3,405,862
Trade and other payables		91,466
Accrued liabilities		55,000
Total current liabilities		146,466
Total liabilities		146,466
Total liabilities and equity		3,552,328

The Parent Company loss for the period was £693,948.

The financial statements were approved by the board of directors and authorised for issue on 27 June 2022 and are signed on its behalf by:



Adam Driscoll
Director

Rameses Villanueva
Director

Company Registration No. 13411674

Company Statement of Changes in Equity for the year ended 31 December 2021

	Share capital	Share premium	Retained earnings	Total equity
	£	£	£	£
Loss and total comprehensive income for the period	-	-	(693,948)	(693,948)
Issue of shares	95,840	4,003,970	-	4,099,810
At 31 December 2021	95,840	4,003,970	(693,948)	3,405,862

Notes to the Company Financial Statements for the year ended 31 December 2021

1 Basis of preparation

These financial statements have been prepared in accordance with FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”).

In preparing these financial statements the Company has taken advantage of available disclosure exemptions available under FRS 102. Therefore, these financial statements do not include:

Disclosures in respect of the Parent Company’s income, expense, net gains and net losses on financial instruments measured at amortised cost, as equivalent disclosures have been provided in respect of the Group as a whole;

Disclosures for the aggregate remuneration of the key management personnel of the parent company, as their remuneration is included in the totals for the Group as a whole.

In addition, and in accordance with FRS 102 further disclosure exemptions have been adopted because equivalent disclosures are included in the consolidated financial statements of All Things Considered Group Plc. These financial statements do not include certain disclosures in respect of:

the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);

the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);

the requirements of Section 11 Financial Instruments paragraphs 11.41 (b), 11.41 (c), 11.41 (e), 11.41 (f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48{b) and 11.48(c);

the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;

the requirements of Section 33 Related Party Disclosures paragraph 33.7.

In addition to the above, a Statement of cash flows has not been prepared as the company does not have a bank account and therefore there have been no cash movements in the year.

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. The areas where significant judgements and estimates have been made in preparing the financial statements and their effect are disclosed in note 3.

2. Accounting policies

Financial instruments

Financial instruments are recognised in the Company’s balance sheet when the Company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which comprise of debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including trade creditors and bank loans, loans from fellow Group companies are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Foreign currency translation

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

3 Critical accounting estimates and judgements

The preparation of financial statements under FRS 102 requires the Company to make estimates and assumptions that affect the application of policies and reported amounts. Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and assumptions which have significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below:

Impairment of Investments

Determining whether there are indicators of impairment of investments in subsidiaries. Factors taken into consideration in reaching such a decision include the value in use and the fair value less costs to sell. See note 4 for the net carrying amount of the investment in subsidiaries.

4 Investments in subsidiaries

	2021
	£
Investment in subsidiaries	68,716

The Company's investments are not impaired. Further details of the Company's subsidiaries are contained in note 5.

5 Subsidiaries

Name of undertaking	**Address**	**Principal activities**	**Class of Shares held**	**Direct Voting**	**Indirect**	**% Held voting**
All Things Considered Limited	1	Music management services	Ordinary shares	100	-	100
Polyphonic Limited	1	Music management services	Ordinary shares	-	100	100
ATC Productions Limited	1	Dormant	Ordinary shares	-	100	100
ATC Royalties Limited	1	Publishing royalty collection	Ordinary shares	-	100	100
Driift Holdings Limited	1	Holding company	Ordinary shares	-	52	52
Driift Live Limited	1	Online music promoter	Ordinary shares	-	-	52
Driift Live Inc	2	Online music promoter	Ordinary shares	-	-	52
ATC North America Inc	2	Holding company	Ordinary shares	-	100	100
ATC Media Inc	2	Holding company	Ordinary shares		-	90
ATC Artist Management Inc (Formerly known as Courtyard Productions Inc)	2	Music management services	Ordinary shares	-	-	90
Familiar Music Group LLC	2	Brand partnership and synch consultants	Membership interest	-	-	55
Live X LLC	2	Dormant	Membership interest	-	-	100
Your Army America LLC	2	Club, Radio and Digital music consultants	Membership interest	-	100	100
ATC Live LLP	1	Live music booking	Members capital	-	90	90
ATC Live Agency Limited	1	Live music booking	Ordinary shares	-	100	100

Registered office addresses (all UK unless otherwise indicated):

1 The Hat factory 166-168 Camden Street, London, NW1 9PT, United Kingdom, NW1 9PT
2 15821 Ventura Blvd, Suite 370, Encino, CA 91436, United States of America

6 Financial instruments

	2021
	£
Carrying amount of financial assets	
Financial assets measured at amortised cost	3,483,612
Carrying amount of financial liabilities	
Financial liabilities measured at amortised cost	146,466

7 Share Capital

The following table summarises the share capital of All Things Considered Group Plc for the periods presented:

	Number of shares	Share capital
	No.	£
Issued share capital in All Things Considered Ltd at 31 December 2020	34,358	34,358
At 31 December 2020	34,358	34,358
Exchanged for shares in All Things Considered Group Plc	6,871,599	68,716
Share issued on incorporation	1	-
Shares issued 14 December 2021	2,712,420	27,124
At 31 December 2021	9,584,020	95,840

8 Director's remuneration

Details of Directors' and key management remuneration, including that of the highest paid Director, are set out in note 11 to the consolidated financial statements.

9 Ultimate parent undertaking and controlling party

As at 31 December 2021, All Things Considered Group Plc did not have any one identifiable controlling party.

Company Information

Directors	Adam Driscoll Brian Message Craig Newman Rameses Villanueva Andy Glover Shirin Foroutan
Secretary	Emma Stoker
Company number	13411674
Registered office	The Hat Factory 168 Camden Street London NW1 9PT
Auditors	Adler Shine LLP Aston House Cornwall Avenue London N3 1LF