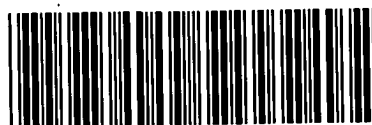

M&C SAATCHI SPORT & ENTERTAINMENT LIMITED

UNAUDITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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M&C SAATCHI SPORT & ENTERTAINMENT LIMITED

COMPANY INFORMATION

Directors	Mickey Kalifa (resigned 12 May 2022) Moray MacLennan Steve Martin Jamie Wynne-Morgan
Company secretary	No company secretary
Registered number	03306364
Registered office	36 Golden Square London W1F 9EE

M&C SAATCHI SPORT & ENTERTAINMENT LIMITED

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M&C SAATCHI SPORT & ENTERTAINMENT LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Introduction

The directors present their report together with the unaudited financial statements for the year ended 31 December 2022.

Business review

The Company has had a stronger year following 2021, winning new business, also evolving and adapting to meet client expectations. The net revenue levels increased 44% to £10,634,000 (2021 - £7,382,000).

A comprehensive review of the Company's strategy, outlining the development, performance and position of the Company's business can be found in the Strategic Report outlined in the M&C Saatchi Plc Annual Report and Accounts for the year ended 31 December 2022 (the **Plc Annual Report**). Copies of the Plc Annual Report are available from M&C Saatchi plc, 36 Golden Square, London W1F 9EE.

Principal risks and uncertainties

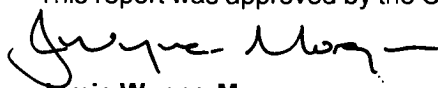
The Company's principal financial, operational and compliance risks and uncertainties are integrated with those of M&C Saatchi plc and its subsidiaries (together the **Group**) and are not managed separately.

Assessment of the potential economic and non-economic consequences of risks is undertaken by the Group. Once identified, each principal risk and uncertainty is reviewed and monitored by the Board of M&C Saatchi plc. Full details of the Group's risk factors and policies for financial risk management are outlined in the Plc Annual Report.

Key performance indicators

The Company's directors are of the opinion that there are no meaningful financial or non-financial key performance indicators that would be necessary or appropriate for an understanding of the development, performance or position of the Company's activities.

This report was approved by the Company's board of directors on 30 May 2023 and signed on its behalf.


Jamie Wynne-Morgan
Director

M&C SAATCHI SPORT & ENTERTAINMENT LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their report and the financial statements for the year ended 31 December 2022.

Principal activity

The principal activity of the Company is the provision of sponsorship services.

Results and dividends

The profit for the year, after taxation, amounted to £1,569,000 (2021 - £30,000). Interim dividends of £3.70 per share (2021 - £8.94 per share) totalling £555,000 (2021 - £1,341,000) were paid during the year. The directors recommend the payment of a final dividend of £10.56 per share. This would represent total dividends for the year of £14.26 per share (2021 - £8.94 per share). The final dividend, if approved by members by way of written resolution will be paid on 31 May 2023 to shareholders on the register at the close of business on 17 April 2023.

Directors

The directors who served during the year were:

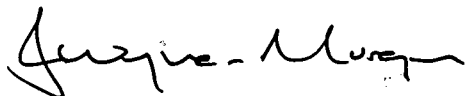
Mickey Kalifa (resigned 12 May 2022)

Moray MacLennan

Steve Martin

Jamie Wynne-Morgan

This report was approved by the Company's board of directors on 30 May 2023 and signed on its behalf.



Jamie Wynne-Morgan
Director

M&C SAATCHI SPORT & ENTERTAINMENT LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

M&C SAATCHI SPORT & ENTERTAINMENT LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £000	2021 £000
Revenue	4	23,915	14,627
Project costs		(13,281)	(7,245)
Net revenue		10,634	7,382
Administrative expenses		(8,798)	(7,152)
Operating profit	5	1,836	230
Interest receivable and similar income	8	77	3
Profit before tax		1,913	233
Tax on profit	9	(344)	(203)
Profit for the financial year		1,569	30

There were no recognised gains and losses for 2022 or 2021 other than those included in the profit and loss account.

The notes on pages 10 to 21 form part of these financial statements.

M&C SAATCHI SPORT & ENTERTAINMENT LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £000	2021 £000
Profit for the financial year		1,569	30
<hr/>			
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Share option charge		16	669
		<hr/>	<hr/>
		16	669
Share option charge			
		<hr/>	<hr/>
Total comprehensive income for the year		1,585	699
		<hr/>	<hr/>

There were no recognised gains and losses for 2022 or 2021 other than those included in the profit and loss account.

The notes on pages 10 to 21 form part of these financial statements.

M&C SAATCHI SPORT & ENTERTAINMENT LIMITED
REGISTERED NUMBER: 03306364

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £000	2021 £000
Fixed assets			
Tangible assets	11	167	125
		<u>167</u>	<u>125</u>
Current assets			
Debtors	12	10,003	1,725
Cash at bank and in hand	13	638	5,148
		<u>10,641</u>	<u>6,873</u>
Creditors: amounts falling due within one year	14	(8,683)	(5,903)
Net current assets		<u>1,958</u>	<u>970</u>
Total assets less current liabilities		<u>2,125</u>	<u>1,095</u>
 Net assets excluding pension asset		 <u>2,125</u>	 <u>1,095</u>
Net assets		<u><u>2,125</u></u>	<u><u>1,095</u></u>

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M&C SAATCHI SPORT & ENTERTAINMENT LIMITED
REGISTERED NUMBER: 03306364

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2022

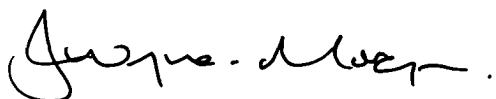
	Note	2022 £000	2021 £000
Capital and reserves			
Called up share capital	17	540	540
Profit and loss account	18	1,585	555
		<u>2,125</u>	<u>1,095</u>

The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The Company is entitled to, and has opted to take, the exemption from the requirement relating to the audit of its accounts under section 479A of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the Company's board of directors and were signed on its behalf on 30 May 2023.



Jamie Wynne-Morgan
Director

The notes on pages 10 to 21 form part of these financial statements.

M&C SAATCHI SPORT & ENTERTAINMENT LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2022	540	555	1,095
Comprehensive income for the year			
Profit for the year	-	1,569	1,569
Dividends paid	-	(555)	(555)
Share option charge 2022	-	16	16
Transfer to profit and loss account	-	-	-
At 31 December 2022	540	1,585	2,125

The notes on pages 10 to 21 form part of these financial statements.

M&C SAATCHI SPORT & ENTERTAINMENT LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2021	540	1,197	1,737
Comprehensive income for the year			
Profit for the year	-	30	30
Dividends paid	-	(1,341)	(1,341)
Share option charge 2021	-	669	669
At 31 December 2021	540	555	1,095

The notes on pages 10 to 21 form part of these financial statements.

M&C SAATCHI SPORT & ENTERTAINMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. General information

M&C Saatchi Sport and Entertainment Limited is a private company limited by shares incorporated in England. The registered office is 36 Golden Square, London, W1F 9EE. The principal activity of the Company is the provision of sponsorship services.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

2.2 FRS 101 - reduced disclosure exemptions

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share-based payments, fair value measurements, presentation of a cash-flow statement, impairment of assets, and the revenue disclosure exemptions. Where relevant, equivalent disclosures have been given in the Plc Annual Report. The Plc Annual Report is available to the public and can be obtained as set out in note 21.

2.3 Going concern

The Company has considerable financial resources, and is expected to continue to generate positive cash flows on its own account for the foreseeable future. As a consequence, the directors believe that the Company is well placed to manage its business risks successfully.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

In addition, the Company's immediate and ultimate parent company, M&C Saatchi plc, has indicated that for at least 12 months from the date of approval of these financial statements it will continue to make such funds available as are needed by the Company to continue in operational existence, and meet its liabilities as they fall due.

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Transactions in foreign currencies are translated at the exchange rate ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rates ruling at the balance sheet date, with the resulting exchange differences recognised in the income statement.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.5 Revenue from contracts with customers

Revenue is stated exclusive of VAT and sales taxes. Net revenue is exclusive of third-party costs recharged to our clients where we are acting as principal.

Performance obligations

At the inception of a new contractual arrangement with a customer, the Company identifies the performance obligations inherent in the agreement. Typically, the terms of the contracts are such that the services to be rendered are considered to be either integrated or to represent a series of services that are substantially the same with the same pattern of transfer to the customer. Accordingly, this amalgam of services is accounted for as a single performance obligation.

Where there are contracts with services which are distinct within the contract then they are accounted for as separate obligations. In these instances, the consideration due to be earned from the contract is allocated to each of the performance obligations in proportion to their stand-alone selling price.

Measurement of revenue

Based on the terms of the contractual arrangements entered into with customers, revenue is typically recognised over time. This is based on either the fact that (i) the assets generated under the terms of the contracts have no alternative use to the Company and there is an enforceable right to payment or (ii) the client exerts editorial oversight during the course of the assignment such that they control the service as it is provided.

Principal vs agent

When a third-party supplier is involved in fulfilling the terms of a contract then, for each performance obligation identified, the Company assesses whether they are acting as principal or agent. The primary indicator used in this assessment is whether the Company is judged to control the specified services prior to the transfer of those services to the customer. In this instance it is typically concluded the Company is acting as principal.

When we act as an agent, the revenue recorded is the net amount retained. Costs incurred with external suppliers are excluded from revenue. When the Company acts as principal the revenue recorded is the gross amount billed and when allowable by the terms of the contract, out-of-pocket costs, such as travel are also recognised as the gross amount billed with a corresponding amount recorded as an expense.

Treatment of costs

Costs incurred in relation to the fulfilment of a contract are generally expensed as incurred if revenue is recognised over time.

Assets and liabilities related to contracts with customers

Contract assets and liabilities arise when there is a difference (generally due to timing) in the amount of revenue which can be recognised and the amount which can be invoiced under the terms of the contractual arrangement.

Where revenue earned from customers is recognised over time, many of the Company's contractual arrangements have terms which permit the Company to remit invoices for the amount of work performed to date on a specific contract. Where the terms of a contractual arrangement do not carry such right to invoice then a contract asset is recognised over time as work is performed until such point that an invoice can be remitted.

Where revenue earned from customers is recognised at a point in time then this will be dependent on satisfaction of a specific performance obligation. At such point it is usual that there are no other conditions required to be met for receipt of consideration and as such a trade receivable is recognised at the point the Company's right to consideration is unconditional, which normally will be at the time the PO is satisfied (which may not be the same as when an invoice is raised).

Contract liabilities comprise instances where a customer has made payments relating to services prior to their provision. Where payments are received in advance, IFRS 15 requires assessment of

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

whether these cash transfers contain any financing component. Under the terms of the contractual arrangements entered into by the Company, there are no instances where such financing elements arise. This is the case even for those arrangements where the Company receives monies more than a year in advance by virtue of the terms of the contractual agreement so entered into.

2.6 Interest income

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

2.7 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.8 Tangible fixed assets

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

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.8 Tangible fixed assets (continued)

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

Depreciation is provided on the following basis:

Leasehold improvements	-	Lower of useful life and lease period
Furniture and fittings	-	10%
Computer equipment	-	33%

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

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

2.9 Debtors

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

2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.11 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.12 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends of a private company are recognised when approved by the shareholders by the passing of a written resolution.

M&C SAATCHI SPORT & ENTERTAINMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

In the application of the Company's accounting policies the directors are required to make judgements, estimates and assumptions about the carrying amounts 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 vary from such estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period to which the estimate is revised if the revision effects only that period, or in the period of revision and subsequent periods if the revision affects both current and future periods. In estimating the value of the share based payment, un-discounted estimates of future profitability were used based upon an initial business plan. There are no other significant estimates or judgements to report as at the balance sheet date.

4. Revenue

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

	2022 £000	2021 £000
Sports and entertainment agent services	23,915	14,627
	<u>23,915</u>	<u>14,627</u>

5. Operating profit

The operating profit is stated after charging:

	2022 £000	2021 £000
Research & development charged as an expense	3	-
Depreciation of tangible fixed assets	55	21
Exchange differences	27	72
Defined contribution pension cost	180	154
	<u>265</u>	<u>247</u>

M&C SAATCHI SPORT & ENTERTAINMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

6. Employees

Staff costs, including directors' remuneration, were as follows:

	2022	2021
	£000	£000
Wages and salaries	6,261	4,360
Social security costs	589	382
Cost of defined contribution scheme	180	154
	<u>7,030</u>	<u>4,896</u>

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

	2022	2021
	No.	No.
	73	61
	<u>73</u>	<u>61</u>

7. Directors' remuneration

	2022	2021
	£000	£000
Directors' emoluments	621	442
	<u>621</u>	<u>442</u>

The highest paid director received remuneration of £395,000 (2021 - £442,000).

8. Interest receivable

	2022	2021
	£000	£000
Interest receivable from group companies	77	-
Other interest receivable	-	3
	<u>77</u>	<u>3</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

9. Taxation

	2022	2021
	£000	£000
Corporation tax		
Current tax on profits for the year	366	179
Adjustments in respect of previous periods	(20)	9
	<u>346</u>	<u>188</u>
Deferred tax		
Origination and reversal of timing differences	(2)	15
Total deferred tax	<u>(2)</u>	<u>15</u>
Taxation on profit on ordinary activities	<u>344</u>	<u>203</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2021 - higher than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022	2021
	£000	£000
Profit on ordinary activities before tax	<u>1,913</u>	<u>233</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	363	44
Effects of:		
Expenses not deductible for tax purposes	-	135
Adjustments to tax charge in respect of prior periods	-	9
Other differences leading to an increase (decrease) in the tax charge	(19)	15
Total tax charge for the year	<u>344</u>	<u>203</u>

Factors that may affect future tax charges

From 1 April 2023 the corporation tax rate has increased to 25%.

M&C SAATCHI SPORT & ENTERTAINMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

10. Dividends

	2022 £000	2021 £000
Interim dividends paid £3.70 per share (2021 - £8.94 per share)	555	1,341
	555	1,341

A final dividend of £10.56 per share amounting to a total of £1,584,000 (2021 - £nil) has been proposed for the year ended 31 December 2022. These financial statements do not reflect this dividend, which will be accounted for in shareholders' equity as an appropriation of retained earnings in the financial year ending 31 December 2023.

11. Tangible fixed assets

	Leasehold improvements £000	Fixtures and fittings £000	Computer equipment £000	Total £000
Cost or valuation				
At 1 January 2022	58	-	115	173
Additions	-	14	83	97
At 31 December 2022	58	14	198	270
Depreciation				
At 1 January 2022	10	-	38	48
Charge for the year on owned assets	6	1	48	55
At 31 December 2022	16	1	86	103
Net book value				
At 31 December 2022	42	13	112	167
At 31 December 2021	48	-	77	125

M&C SAATCHI SPORT & ENTERTAINMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

12. Debtors

	2022	2021
	£000	£000
Due after more than one year		
Deferred tax asset	14	12
	<u>14</u>	<u>12</u>
Due within one year		
Trade debtors	1,735	886
Amounts owed by group undertakings	7,379	-
Other debtors	94	67
Called up share capital not paid	539	539
Prepayments and accrued income	242	221
	<u>10,003</u>	<u>1,725</u>

13. Cash and cash equivalents

	2022	2021
	£000	£000
Cash at bank and in hand	638	5,148
	<u>638</u>	<u>5,148</u>

14. Creditors: Amounts falling due within one year

	2022	2021
	£000	£000
Trade creditors	1,973	1,083
Amounts owed to group undertakings	232	74
Corporation tax	535	283
Other taxation and social security	167	139
Other creditors	214	281
Accruals and deferred income	5,562	4,043
	<u>8,683</u>	<u>5,903</u>

M&C SAATCHI SPORT & ENTERTAINMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

15. Financial instruments

	2022 £000	2021 £000
Financial assets		
Financial assets measured at fair value through profit or loss	638	5,148
Financial assets that are debt instruments measured at amortised cost	9,115	1,695
	<u>9,753</u>	<u>6,843</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(3,586)</u>	<u>(5,324)</u>

Financial assets measured at fair value through profit or loss comprise of cash at bank and Trade debtors as at the balance sheet date.

Financial liabilities measured at amortised cost comprise of amounts due to suppliers, other group companies and tax payable.

16. Deferred taxation

	2022 £000
At beginning of year	12
Charged to profit or loss	2
At end of year	<u>14</u>

The deferred tax asset is made up as follows:

	2022 £000	2021 £000
Accelerated capital allowances	14	12
	<u>14</u>	<u>12</u>

M&C SAATCHI SPORT & ENTERTAINMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

17. Share capital

	2022 £000	2021 £000
Allotted, called up and fully paid		
112,500 (2021 - 112,500) A Ordinary shares of £0.01 each	1.1250	1.1250
37,500 (2021 - 37,500) C Ordinary shares of £0.01 each	0.3750	0.3750
	<hr/> 1.5000 <hr/>	<hr/> 1.5000 <hr/>
Allotted, called up and partly paid		
37,500 (2021 - 37,500) C Ordinary shares of £0.01 each	538.7500	538.7500
	<hr/> 538.7500 <hr/>	<hr/> 538.7500 <hr/>

Each A ordinary share carries one vote and dividend rights. Each C ordinary share carries a right to one vote, dividend rights and the right to a put option. The put option is a right to exchange the C ordinary shares into M&C Saatchi plc shares or the equivalent cash consideration. The value of the put options are valued based upon the Group's headline profit before tax multiple that excludes loss making companies within the Group, multiplied by both the normalised pre tax profits of the Company and by a compound factor.

18. Reserves**Profit and loss account**

Includes all current and prior period retained profit and losses.

19. Related party transactions

The Company received £5,841,204 (2021: £889,418) from other Group companies and £44,406 (2021: £nil) from a group company of an associate of the Group, Al Dallah for Creativity & Design LLC, in respect of services rendered. The Company paid £434,508 (2021: £107,623) to other Group companies as part of its cost of sales.

In respect of recharges for the Company's share of Group overhead costs such as building rent costs and the services of IT, HR and Operations staff, the Company also received £69,005 (2021: £42,213) and paid £1,818,774 (2021: £1,592,181).

At the balance sheet date £nil (2021: £nil) was owed to related parties.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

20. Bank guarantee

On 31 May 2021, M&C Saatchi plc amongst others entered into a revolving multicurrency facility agreement with National Westminster Bank Plc and Barclays Bank PLC for up to £47m (the "Facility"). The Facility includes a £2.5m overdraft and the ability to draw up to £3.0m as a bonding facility, as required. The Facility is provided on a three-year term with an option to extend until the fourth anniversary. At 31 December 2022, the Group had up to £47.0m (2021: £47.0m) of funds available under the Facility of which £7.0m was drawn as at 31 December 2022 (2021: £20.0m). The Company acts as a guarantor under the Facility.

The Facility includes two financial covenants, which if either were to be breached would result in a default of the agreement:

1. Interest Cover – EBIT for the previous 12 months must exceed 5 times the net finance charge (external debt interest, excluding IFRS16 finance lease interest payments) for the previous 12 months.
2. Leverage – total indebtedness at the period end must not exceed 3.5 times EBITDA for the previous 12 months (adjusted for acquisitions and disposals). This reduced to 3.0 times from 31 March 2022, 2.5 times from 30 June 2022, and 2.0 times from 31 March 2023.

21. Controlling party

The immediate parent company is M&C Saatchi Worldwide Limited, which is registered in England and Wales.

The ultimate parent company is M&C Saatchi plc, which is registered in England and Wales.

The Group is the only group of which the Company is a member and for which group accounts are prepared. Copies of the Plc Annual Report are available from M&C Saatchi plc, 36 Golden Square, London W1F 9EE.