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**SAATCHINVEST LIMITED**

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**UNAUDITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

WEDNESDAY



LD4 \*L7EUMFZT\* #48  
19/09/2018  
COMPANIES HOUSE

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**SAATCHINVEST LIMITED**

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**COMPANY INFORMATION**

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|                          |   |
|--------------------------|---|
| <b>Directors</b>         | Jamie Hewitt<br>Andrew Blackstone                 |
| <b>Company secretary</b> | Andrew Blackstone                                 |
| <b>Registered number</b> | 7498729   |
| <b>Registered office</b> | 34-36 Golden Square<br>London<br>W1F 9EE          |
| <b>Accountants</b>       | KPMG LLP<br>15 Canada Square<br>London<br>E14 5GL |

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## SAATCHINVEST LIMITED

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**SAATCHINVEST LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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The Directors present their report and the financial statements for the year ended 31 December 2017.

**Directors**

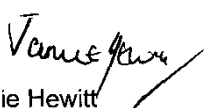
The Directors who served during the year were:

Jamie Hewitt  
Andrew Blackstone

**Small companies note**

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

This report was approved by the board on 27 June 2018 and signed on its behalf.

  
Jamie Hewitt  
Director

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## SAATCHINVEST LIMITED

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### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017**

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The Directors are responsible for preparing 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.

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SAATCHINVEST LIMITED

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STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2017

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|   | Note | 2017<br>£000 | 2016<br>£000 |
|---|------|--------------|--------------|
| Administrative expenses                                       |      | (214)        | (842)        |
| <b>Operating loss</b>   | 4    | (214)        | (842)        |
| Interest payable and expenses                                 | 5    | (169)        | (125)        |
| <b>Loss before tax</b>  |      | (383)        | (967)        |
| Tax on loss   | 6    | 74           | 63           |
| <b>Loss for the financial year</b>                            |      | (309)        | (904)        |
| <b>Other comprehensive income:</b>                            |      |              |              |
| <b>Items that will not be reclassified to profit or loss:</b> |      |              |              |
| <b>Total comprehensive income for the year</b>                |      | (309)        | (904)        |

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of comprehensive income.

The notes on pages 8 to 15 form part of these financial statements.

**SAATCHINVEST LIMITED**  
**REGISTERED NUMBER: 7498729**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2017**

|  | Note | 2017<br>£000   | 2016<br>£000   |
|--|------|----------------|----------------|
| <b>Fixed assets</b>                            |      |                |                |
| Investments                                    | 7    | 6,160          | 4,158          |
|  |      | <u>6,160</u>   | <u>4,158</u>   |
| <b>Current assets</b>                          |      |                |                |
| Debtors: amounts falling due within one year   | 8    | 74             | 63             |
|  |      | <u>74</u>      | <u>63</u>      |
| Creditors: amounts falling due within one year | 9    | (8,438)        | (6,116)        |
|  |      | <u>(8,364)</u> | <u>(6,053)</u> |
| <b>Net current liabilities</b>                 |      | <u>(8,364)</u> | <u>(6,053)</u> |
| <b>Total assets less current liabilities</b>   |      | <u>(2,204)</u> | <u>(1,895)</u> |
| <b>Net assets excluding pension asset</b>      |      | <u>(2,204)</u> | <u>(1,895)</u> |
| <b>Net liabilities</b>                         |      | <u>(2,204)</u> | <u>(1,895)</u> |
| <b>Capital and reserves</b>                    |      |                |                |
| Profit and loss account                        |      | (2,204)        | (1,895)        |
|  |      | <u>(2,204)</u> | <u>(1,895)</u> |

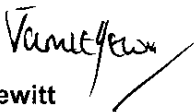
The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The Company was entitled to exemption from audit 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 Company's financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 June 2018.

  
**Jamie Hewitt**  
 Director

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**SAATCHINVEST LIMITED**  
**REGISTERED NUMBER: 7498729**

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**BALANCE SHEET (CONTINUED)**  
**AS AT 31 DECEMBER 2017**

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The notes on pages 8 to 15 form part of these financial statements.



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SAATCHINVEST LIMITED

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STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2017

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|   | Profit and<br>loss account<br>£000 | Total equity<br>£000 |
|---|------------------------------------|----------------------|
| At 1 January 2017                       | (1,895)                            | (1,895)              |
| Comprehensive income for the year       |                                    |                      |
| Loss for the year                       | (309)                              | (309)                |
|   |                                    |                      |
| Total comprehensive income for the year | (309)                              | (309)                |
|   |                                    |                      |
| Total transactions with owners          | -                                  | -                    |
|   |                                    |                      |
| At 31 December 2017                     | (2,204)                            | (2,204)              |

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SAATCHINVEST LIMITED

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STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2016

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|  | Profit and<br>loss account<br>£000 | Total equity<br>£000 |
|--|------------------------------------|----------------------|
| At 1 January 2016                              | (991)                              | (991)                |
| <b>Comprehensive income for the year</b>       |                                    |                      |
| Loss for the year                              | (904)                              | (904)                |
|  | <hr/>                              | <hr/>                |
| <b>Total comprehensive income for the year</b> | (904)                              | (904)                |
|  | <hr/>                              | <hr/>                |
| <b>Total transactions with owners</b>          | -                                  | -                    |
|  | <hr/>                              | <hr/>                |
| <b>At 31 December 2016</b>                     | <b>(1,895)</b>                     | <b>(1,895)</b>       |
|  | <hr/> <hr/>                        | <hr/> <hr/>          |

The notes on pages 8 to 15 form part of these financial statements.

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## SAATCHINVEST LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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#### 1. Accounting policies

##### 1.1 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).

The following principal accounting policies have been applied:

##### 1.2 Financial reporting standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based payment
- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations
- the requirements of paragraph 33(c) of IFRS 5 Non Current Assets Held For Sale and Discontinued Operations
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
  - paragraph 118(e) of IAS 38 Intangible Assets;
  - paragraphs 76 and 79(d) of IAS 40 Investment Property; and
  - paragraph 50 of IAS 41 Agriculture
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

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## SAATCHINVEST LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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#### 1. Accounting policies (continued)

##### 1.3 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

##### 1.4 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.

##### 1.5 Financial instruments

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

###### Financial assets

The Company classifies all of its financial assets as loans and receivables.

###### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the Statement of comprehensive income. On confirmation that the trade receivable will not be collected, the gross carrying value of the asset is written off against the associated provision.

###### Financial liabilities

The Company classifies its financial liabilities into one of the categories discussed below, depending on the purpose for which the liability was acquired.

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## SAATCHINVEST LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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#### 1. Accounting policies (continued)

##### 1.5 Financial instruments (continued)

###### **Fair value through profit or loss**

The Company comprises only out-of-the-money derivatives. They are carried in the Balance sheet at fair value with changes in fair value recognised in the Statement of comprehensive income.

###### **At amortised cost**

Financial liabilities at amortised cost including bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the Balance sheet.

##### 1.6 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.

##### 1.7 Foreign currency translation

###### **Functional and presentation currency**

The Company's functional and presentational currency is GBP.

###### **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

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

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## SAATCHINVEST LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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#### 1. Accounting policies (continued)

##### 1.8 Finance costs

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

##### 1.9 Taxation

Tax is recognised in the Statement of comprehensive income, 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.

#### 2. General information

The principal activity of the Company during the year was the engaging in corporate venturing, investing in companies that have technologies that relate to, or could enhance, the services the Group sells, or when mature will be in industries that will be a heavy user of the Group's services.

The key risk in the Company is the value and performance of the investments.

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

The financial statements have been prepared in accordance with applicable accounting standards and under historical cost accounting rules.

#### 4. Operating loss

The operating loss is stated after charging:

|                      | 2017<br>£000 | 2016<br>£000 |
|----------------------|--------------|--------------|
| Exchange differences | -            | (28)         |

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**SAATCHINVEST LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**5. Interest payable and similar charges**

|                               | <b>2017<br/>£000</b> | <b>2016<br/>£000</b> |
|-------------------------------|----------------------|----------------------|
| Loans from group undertakings | <b>169</b>           | <b>125</b>           |
|                               | <u><b>169</b></u>    | <u><b>125</b></u>    |

**6. Taxation**

|  | <b>2017<br/>£000</b> | <b>2016<br/>£000</b> |
|--|----------------------|----------------------|
| <b>Corporation tax</b>                         |                      |                      |
| Current tax on profits for the year            | <b>(74)</b>          | <b>(63)</b>          |
|  | <u><b>(74)</b></u>   | <u><b>(63)</b></u>   |
| <b>Total current tax</b>                       | <u><b>(74)</b></u>   | <u><b>(63)</b></u>   |
| <b>Deferred tax</b>                            |                      |                      |
| <b>Total deferred tax</b>                      | <u><b>-</b></u>      | <u><b>-</b></u>      |
| <b>Taxation on loss on ordinary activities</b> | <u><b>(74)</b></u>   | <u><b>(63)</b></u>   |

**Factors affecting tax charge for the year**

The tax assessed for the year is the same as (2016 - the same as) the standard rate of corporation tax in the UK of 19.25% (2016 - 20%) as set out below:

|   | <b>2017<br/>£000</b> | <b>2016<br/>£000</b> |
|---|----------------------|----------------------|
| Profit on ordinary activities before tax  | <b>(383)</b>         | <b>(967)</b>         |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%) | <b>(74)</b>          | <b>(63)</b>          |
| <b>Effects of:</b>  |                      |                      |
| <b>Total tax charge for the year</b>  | <u><b>(74)</b></u>   | <u><b>(63)</b></u>   |

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SAATCHINVEST LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017

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6. Taxation (continued)

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

7. Fixed asset investments

|                          | Investments<br>corporate<br>venturing<br>£000 |
|--------------------------|---|
| <b>Cost or valuation</b> |   |
| At 1 January 2017        | 4,158   |
| Additions                | 2,002   |
|                          | <hr/>   |
| At 31 December 2017      | 6,160   |
|                          | <hr/>   |
| <b>Net book value</b>    |   |
| At 31 December 2017      | 6,160   |
|                          | <hr/>   |
| At 31 December 2016      | 4,158   |
|                          | <hr/>   |

Corporate venturing undertakings

The following were material investment undertakings at the end of the year:

| Name                       | Country of<br>incorporation |
|----------------------------|-----------------------------|
| City Mapper                | UK                          |
| Comparabien                | UK                          |
| Cyber Clean                | UK                          |
| Makeably                   | USA                         |
| Ometria                    | UK                          |
| Yossarian Lives            | UK                          |
| Evrythng                   | UK                          |
| Technology Will Save<br>Us | UK                          |
| Touchcast                  | USA                         |
| Endource                   | UK                          |
| Triangle Lab               | UK                          |
| Picasso Labs               | USA                         |



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**SAATCHINVEST LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**7. Fixed asset investments (continued)**

|                      |    |
|----------------------|----|
| ThingThing           | UK |
| Vallie               | UK |
| Digitalis Media      | UK |
| Farewell Ltd         | UK |
| Street Team Software | UK |
| Kindred              | UK |
| Leaf FM Limited      | UK |
| Picasso LAB          | UK |
| Mrs Wordsmith        | UK |
| Qriously             | UK |

Investments in debt and equity securities held by the Company are stated at cost. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in profit or loss.

**8. Debtors**

|               | <b>2017</b>      | <b>2016</b>      |
|---------------|------------------|------------------|
|               | <b>£000</b>      | <b>£000</b>      |
| Other debtors | <b>74</b>        | <b>63</b>        |
|               | <u><b>74</b></u> | <u><b>63</b></u> |

**9. Creditors: Amounts falling due within one year**

|                                    | <b>2017</b>         | <b>2016</b>         |
|------------------------------------|---------------------|---------------------|
|                                    | <b>£000</b>         | <b>£000</b>         |
| Amounts owed to group undertakings | <b>7,998</b>        | <b>5,684</b>        |
| Other creditors                    | <b>400</b>          | <b>400</b>          |
| Accruals and deferred income       | <b>40</b>           | <b>32</b>           |
|                                    | <u><b>8,438</b></u> | <u><b>6,116</b></u> |

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**SAATCHINVEST LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**10. Financial instruments**

|   | <b>2017</b>      | <b>2016</b>      |
|---|------------------|------------------|
|   | <b>£000</b>      | <b>£000</b>      |
| <b>Financial assets</b>   |                  |                  |
| Financial assets that are debt instruments measured at amortised cost     | <b>74</b>        | <b>63</b>        |
|   | <u><b>74</b></u> | <u><b>63</b></u> |
| Other financial liabilities measured at fair value through profit or loss | <b>8,438</b>     | <b>6,116</b>     |
| Financial liabilities measured at amortised cost                          | <b>(8,438)</b>   | <b>(6,116)</b>   |
|   | <u><b>-</b></u>  | <u><b>-</b></u>  |

Other financial liabilities measured at fair value through profit or loss comprise...

**11. Share capital**

|   | <b>2017</b>     | <b>2016</b>     |
|---|-----------------|-----------------|
|   | <b>£000</b>     | <b>£000</b>     |
| <b>Allotted, called up and fully paid</b>                             |                 |                 |
| 2 Ordinary shares - full voting and dividend rights shares of £1 each | <u><b>-</b></u> | <u><b>-</b></u> |

**12. Immediate and ultimate parent company**

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