

Company Registration No. 08183455 (England and Wales)

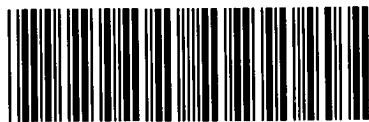
**LAGARDERE SPORTS AND ENTERTAINMENT UK LIMITED**

**ANNUAL REPORT AND  
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

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# LAGARDERE SPORTS AND ENTERTAINMENT UK LIMITED

## COMPANY INFORMATION

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Directors	A Georgiou P O'Dowd U Valensi
Company number	08183455
Registered office	4th Floor Cardinal Place 80 Victoria Street London SW1E 5JL
Auditor	Ernst & Young LLP 2 St Peter's Square Manchester M2 3EY
Bankers	HSBC Bank plc 8 Canada Square London E14 5HQ

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# LAGARDERE SPORTS AND ENTERTAINMENT UK LIMITED

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# LAGARDERE SPORTS AND ENTERTAINMENT UK LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2018

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The directors present their annual report and financial statements for the year ended 31 December 2018.

#### Principal activities

The company operates as a corporate head office function for the global Lagardère Sports and Entertainment division of the Lagardère Group.

#### Directors

The directors who served the company during the year were as follows:

A Georgiou	
P O'Dowd	(Resigned 1 April 2019)
D Pearce	(Appointed 24 July 2018 and resigned 24 December 2018)
U Valensi	(Appointed 23 January 2019)

#### Results and dividends

The loss for the year after taxation amounted to £685,604 (2017 - loss of £3,049,954). No final dividend was paid in the year (2017 - £nil).

No ordinary dividends were paid (2017 - £nil). The directors do not recommend payment of a final dividend.

#### Principle risks and uncertainties

##### *Financial instrument risks*

The company uses financial instruments including cash, trade debtors and trade creditors that arise directly from its operations. The existence of these financial instruments exposes the Company to a number of financial risks, which are described in more detail below:

##### *Liquidity risk*

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash safely and profitably.

##### *Interest rate risk*

The company does not have any third party borrowing, therefore, is not exposed to any interest rate risk.

##### *Credit risk*

The company's principal financial assets are cash deposits, cash and trade debtors. The credit risk associated with cash is limited. The principal credit risk arises, therefore, from its trade debtors. Management closely monitors the credit risk associated with each of its customers in order to minimise any risk of non-payment from any of the trade debtors.

##### *Future developments*

The directors aim to further develop the company by creating a multi-function headquarters for the Lagardère Sports and Entertainment division, providing strategic, finance and operational support for the Group.

##### *Going concern*

There was a net deficiency of assets of £8,143,211 at the balance sheet date and a loss for the year of £685,604. The company acts as a holding company for a number of global resources for the Group. The absence of commercial activity within the company results in the perpetual losses being reported. The company is integrated within the Group and has financial support via a central treasury function and continuous support via the parent company. As such, the directors have an expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The directors have received a letter of support from the parent company and thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

# LAGARDERE SPORTS AND ENTERTAINMENT UK LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2018**

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### **Statement of directors' responsibilities**

The directors are responsible for preparing the annual 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 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 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 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.


### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that they are obliged to take as directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

### **Small company exemption**

This report has been prepared in accordance with provisions applicable to companies entitled to the small company's exemption. Additionally, the company has applied this exemption in not preparing a Strategic Report.

On behalf of the board

  
.....  
U Valensi  
Director  
Date: ...22/05/2019

# **LAGARDERE SPORTS AND ENTERTAINMENT UK LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF LAGARDERE SPORTS AND ENTERTAINMENT UK LIMITED**

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#### **Opinion**

We have audited the financial statements of Lagardère Sports and Entertainment UK Limited for the year ended 31 December 2018 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, Statement of Changes in Equity and the related notes 1 to 19, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

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

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

#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

# LAGARDERE SPORTS AND ENTERTAINMENT UK LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF LAGARDERE SPORTS AND ENTERTAINMENT UK LIMITED

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#### Opinions on other matters prescribed by the Companies Act 2006

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

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

#### Matters on which we are required to report by exception

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

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

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

#### 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 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 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.

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

#### Use of this report

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

Ernst & Young LLP

Anne Wong (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor

Date 23 May 2019

2 St Peter's Square  
Manchester  
M2 3EY

# LAGARDERE SPORTS AND ENTERTAINMENT UK LIMITED

## STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £	2017 £
Revenue	3	598,304	231,648
Cost of sales		(346)	(81,668)
Gross profit		597,958	149,980
Administrative expenses	4	(1,068,087)	(3,033,209)
Operating loss	5	(470,129)	(2,883,229)
Finance costs	8	(254,806)	(166,725)
Loss before taxation		(724,935)	(3,049,954)
Tax on loss	9	39,331	-
Loss for the financial year		(685,604)	(3,049,954)

The profit and loss has been prepared on the basis that all operations are continuing operations. There are no recognised losses other than those passing through the income statement.



# LAGARDERE SPORTS AND ENTERTAINMENT UK LIMITED

## STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2018

	Notes	2018 £	£	2017 £	£
<b>Fixed assets</b>					
Property, plant and equipment	10		498,978		637,125
<b>Current assets</b>					
Trade and other receivables	11	5,080,214		5,052,596	
Cash and cash equivalents		302,650		30,149	
		5,382,864		5,082,745	
<b>Current liabilities</b>	12	(14,019,092)		(13,132,185)	
<b>Net current liabilities</b>			(8,636,228)		(8,049,440)
<b>Total assets less current liabilities</b>			(8,137,250)		(7,412,315)
<b>Provisions for liabilities</b>	13		(5,961)		(45,292)
<b>Net liabilities</b>			(8,143,211)		(7,457,607)
<b>Equity</b>					
Called up share capital	16		100		100
Retained earnings			(8,143,311)		(7,457,707)
<b>Total equity</b>			(8,143,211)		(7,457,607)

The financial statements were approved by the board of directors and authorised for issue on 22 MAY 2019 and are signed on its behalf by:

  
U. Valensi  
Director

Company Registration No. 08183455

# LAGARDERE SPORTS AND ENTERTAINMENT UK LIMITED

## STATEMENT OF CHANGES IN EQUITY

*FOR THE YEAR ENDED 31 DECEMBER 2018*

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	Share capital £	Retained earnings £	Total £
Balance at 1 January 2017	100	(4,407,753)	(4,407,653)
Year ended 31 December 2017:			
Loss and total comprehensive income for the year	-	(3,049,954)	(3,049,954)
Balance at 31 December 2017	100	(7,457,707)	(7,457,607)
Year ended 31 December 2018:			
Loss and total comprehensive income for the year	-	(685,604)	(685,604)
Balance at 31 December 2018	100	(8,143,311)	(8,143,211)

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# LAGARDERE SPORTS AND ENTERTAINMENT UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 DECEMBER 2018**

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### **1 Accounting policies**

#### **Company information**

Lagardère Sports and Entertainment UK Ltd is a company incorporated in the United Kingdom under Companies Act. The address of the registered office is 4th Floor, Cardinal Place, 80 Victoria Street, London, SW1E 5JL. The nature of the company's operations and its principal activities are to act as a multi-function headquarters for the Lagardère Sports and Entertainment division, providing strategic, financial and operational support for the Group.

#### **1.1 Accounting convention**

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 ("FRS102") issued by the Financial Reporting Council.

The functional currency of the company is considered to be pounds sterling because it is the functional currency of the primary economic environment in which the company operates and these financial statements are presented in pounds sterling.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of the presentation of a cash flow statement and certain related party disclosures.

#### **1.2 Business combinations**

Lagardère Sports and Entertainment UK Ltd is a wholly owned subsidiary of Lagardère Sports and Entertainment SAS, incorporated in France and the results of the company are included in the consolidated financial statements of Lagardère Sports and Entertainment SAS which are available to the public and may be obtained from 16/18 Rue du Dome, Boulogne-Billancourt, 92100, France.

#### **1.3 Going concern**

There was a net deficiency of assets of £8,143,211 at the balance sheet date and a loss for the year of £685,604. The company acts as a holding company for a number of global resources for the Group. The absence of commercial activity within the company results in the perpetual losses being reported. The company is integrated within the Group and has financial support via a central treasury function and continuous support via the parent company. As such, the directors have an expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The directors have received a letter of support from the parent company and thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **1.4 Revenue**

Turnover from sales of goods and services (including sports rights) is recognised when title is transferred to the buyer or the service is rendered. Where revenues are associated with a long-term contract (i.e. one that spans more than one accounting period), including those relating to sports rights, the amount of turnover recognised is the cost appropriate to their stage of completion or delivery plus any attributable profits (less amounts recognised in previous years). Profit on long term contracts is recognised when the outcome of the contract can be foreseen with reasonable certainty and provision is made for any losses as soon as they are foreseen. Income is accrued when it is recognised but not yet invoiced and deferred when invoiced but not yet recognised.

# LAGARDERE SPORTS AND ENTERTAINMENT UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 1 Accounting policies

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

#### 1.5 Property, plant and equipment

All fixed assets are initially recorded at cost.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold improvements	10 years
Office Equipment	3 to 5 years

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 credited or charged to profit or loss.

Residual value represents the estimated amounts which would currently be obtained from the disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life. The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

#### 1.6 Impairment of non-current assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

# LAGARDERE SPORTS AND ENTERTAINMENT UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

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### 1 Accounting policies

#### 1.8 Financial instruments

Financial assets and liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

##### *Basic financial assets*

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Basic financial assets, which include trade and other receivables and cash and bank balances, 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. Other financial assets classified as fair value through profit or loss are measured at fair value.

##### *Other financial assets*

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

##### *Trade debtors, loans and other receivables*

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

##### *Impairment of financial assets*

Financial assets, other than those held at fair value through profit and loss, 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 have been affected. The impairment loss is recognised in profit or loss.

##### *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.

# LAGARDERE SPORTS AND ENTERTAINMENT UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 1 Accounting policies

##### *Basic financial liabilities*

Basic financial liabilities are initially measured 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. Other financial liabilities classified as fair value through profit or loss are measured at fair value.

##### *Other financial liabilities*

Other financial liabilities, are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

##### *Derecognition of financial liabilities*

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

#### 1.9 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.

#### 1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### *Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### *Deferred tax*

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

# LAGARDERE SPORTS AND ENTERTAINMENT UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 1 Accounting policies

#### 1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or non-current assets.

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.

#### 1.12 Retirement benefits

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

#### 1.13 Leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight-line basis over the period of the lease.

#### 1.14 Foreign exchange

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating loss.

### 2 Judgements and key sources of estimation uncertainty

There were no critical judgements or key sources of estimation uncertainty that management have made in the process of applying the entity's accounting policies and that have had a significant effect on the amounts recognised in the financial statements.

### 3 Revenue

An analysis of the Company turnover is as follows:

	2018	2017
	£	£
Revenue analysed by class of business		
Commission and other income	598,304	231,648

Income received from other members of the company's parent group in respect of recharged administration expenses (in other operating income/charges). In the year ended 31 December 2018 such recharged expenditure amounted to £10,283,123 (2017 – £8,501,395).

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

# LAGARDERE SPORTS AND ENTERTAINMENT UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 4 Administrative expenses

	2018 £	2017 £
Administrative expenses	11,351,210	11,534,603
Recharges to group companies	(10,283,123)	(8,501,395)
	<u>1,068,087</u>	<u>3,033,208</u>

### 5 Operating loss

	2018 £	2017 £
Operating loss for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(3,624)	22,888
Fees payable to the company's auditor for the audit of the company's financial statements	15,000	10,450
Depreciation of owned property, plant and equipment	148,097	140,464
Operating lease charges	<u>419,653</u>	<u>419,653</u>

### 6 Employees

The average monthly number of employees during the year was made up as follows:

	2018 Number	2017 Number
Directors	3	2
Administration staff	<u>32</u>	<u>27</u>
	<u>35</u>	<u>29</u>

Their aggregate remuneration comprised:

	2018 £	2017 £
Wages and salaries	6,280,185	5,815,479
Social security costs	626,373	563,326
Pension costs	<u>145,022</u>	<u>61,639</u>
	<u>7,051,580</u>	<u>6,440,444</u>



# LAGARDERE SPORTS AND ENTERTAINMENT UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 7 Directors' remuneration

	2018 £	2017 £
Remuneration for qualifying services	2,032,999	1,417,851
Company pension contributions to defined contribution schemes	61,204	20,000
	<u>2,094,203</u>	<u>1,437,851</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2017 - 2).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2018 £	2017 £
Remuneration for qualifying services	1,051,106	1,123,348
Company pension contributions to defined contribution schemes	199	196
	<u>1,051,305</u>	<u>1,123,544</u>

### 8 Finance costs

	2018 £	2017 £
Interest payable to group undertakings	244,225	156,823
Exchange differences on financing transactions	10,581	9,902
	<u>254,806</u>	<u>166,725</u>

### 9 Taxation

	2018 £	2017 £
<b>Deferred tax</b>		
Origination and reversal of timing differences	(10,560)	-
Adjustment in respect of prior periods	(28,771)	-
	<u>(39,331)</u>	<u>-</u>
<b>Total deferred tax</b>	<u>(39,331)</u>	<u>-</u>

# LAGARDERE SPORTS AND ENTERTAINMENT UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

The actual (credit)/charge for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2018 £	2017 £
Loss before taxation	(724,935)	(3,049,954)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.25%)	(137,738)	(587,012)
Tax effect of expenses that are not deductible in determining taxable profit	108,371	102,624
Change in unrecognised deferred tax assets	-	21,756
Group relief	11,136	449,517
Depreciation on assets not qualifying for tax allowances	6,428	10,240
Deferred tax adjustments in respect of prior years	(27,528)	2,875
Taxation credit for the year	(39,331)	-

#### 10 Property, plant and equipment

	Leasehold improvements £	Office Equipment £	Total £
<b>Cost</b>			
At 1 January 2018	620,609	326,436	947,045
Additions	9,950	-	9,950
At 31 December 2018	630,559	326,436	956,995
<b>Depreciation and impairment</b>			
At 1 January 2018	147,914	162,006	309,920
Depreciation charged in the year	78,526	69,571	148,097
At 31 December 2018	226,440	231,577	458,017
<b>Carrying amount</b>			
At 31 December 2018	404,119	94,859	498,978
At 31 December 2017	472,695	164,430	637,125

# LAGARDERE SPORTS AND ENTERTAINMENT UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 11 Trade and other receivables

	2018	2017
	£	£
Amounts falling due within one year:		
Trade receivables	13,171	57,647
Amounts owed by group undertakings	1,489,975	455,648
Other receivables	3,327,427	4,294,659
Prepayments and accrued income	249,641	244,642
	<u>5,080,214</u>	<u>5,052,596</u>

### 12 Current liabilities

	2018	2017
	£	£
Trade payables	-	406,475
Amounts owed to group undertakings	11,497,218	10,430,792
Other taxation and social security	403,939	192,646
Accruals and deferred income	2,117,935	2,102,272
	<u>14,019,092</u>	<u>13,132,185</u>

### 13 Provisions for liabilities

	Notes	2018	2017
		£	£
Deferred tax liabilities	14	<u>5,961</u>	<u>45,292</u>

### 14 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2018	Liabilities 2017
	£	£
Balances:		
Accelerated capital allowances	13,453	45,292
Short term timing differences	(7,492)	-
	<u>5,961</u>	<u>45,292</u>

# LAGARDERE SPORTS AND ENTERTAINMENT UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 14 Deferred taxation

Movements in the year:	2018 £
Liability at 1 January 2018	45,292
Credit to profit or loss	(39,331)
Liability at 31 December 2018	<u>5,961</u>

### 15 Retirement benefit schemes

	2018 £	2017 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>145,022</u>	<u>61,639</u>

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.

### 16 Share capital

	2018 £	2017 £
Ordinary share capital Issued and fully paid 100 Ordinary of £1 each	<u>100</u>	<u>100</u>
	<u>100</u>	<u>100</u>

### 17 Operating lease commitments

#### Lessee

At 31 December 2018, the company had annual commitments under non-cancellable operating leases. The future minimum rentals payable under non-cancellable operating leases are as follows:

	2018 £	2017 £
Within one year	419,653	419,653
Between two and five years	<u>87,428</u>	<u>507,081</u>
	<u>507,081</u>	<u>926,734</u>

# LAGARDERE SPORTS AND ENTERTAINMENT UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

*FOR THE YEAR ENDED 31 DECEMBER 2018*

### 18 Related party transactions

As a wholly owned subsidiary of the Group headed by Lagardere SCA, the company has taken advantage of the exemption under Financial Reporting Standard 102, from disclosing transactions between the company and other wholly owned members of the Group. There were no other related party transactions in the current or prior period year financial statements.

### 19 Controlling party

The company is a subsidiary undertaking of Lagardere Sports and Entertainment SAS, incorporated in France. The financial statements of Lagardere Sports and Entertainment SAS are available to the public and may be obtained from 16/18 Rue du Dome, Boulogne-Billancourt, 92100, France.

The ultimate parent undertaking and controlling party is Lagardere SCA, a company incorporated in France.