William Morris Endeavor Entertainment (U.K.) Limited

Company Registration Number: 00841344

Annual Report and Financial Statements

For the Year Ended 31 December 2018

Contents

Officers and Professional Advisers
For the Year Ended 31 December 2018

Directors

J Lublin
P Whitesell
A Emanuel

Secretary

Mitre Secretaries Limited

Registered office

Cannon Place
78 Cannon Street
London
EC4N 6AF

Bankers

National Westminster Bank plc
Dean Street Branch
PO Box 2162
20 Dean Street
London
W1A 1SX

Solicitors

CMS Cameron McKenna
Cannon Place
78 Cannon Street
London
EC4N 6AF

Independent Auditor

Statutory Auditor
Deloitte LLP
United Kingdom
1 New Street Square
London
EC4A 3TR

Strategic Report
For the Year Ended 31 December 2018

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

Business review and principal activity

The principal activity of the company is the provision of agency services to Musicians and Authors. There have not been any significant changes to the company's principal activity in the year under review.

Our strategy to grow business in 2018 was to identify and sign new artists as well as pursue top artists to add to our current roster. Additionally, we have added effective agents to our team with the goal of developing our ongoing business. The directors are satisfied with the results for the year seeing strong revenue growth in the year, and they believe that the efforts made in 2018 will lead to a strong and stable platform for our performance in 2019 and beyond.

For 2019 and the coming years we plan to grow our business through organic development and strategic investment in other areas of our business.

The principal risks and uncertainties

A significant proportion of the company's revenue comes from providing booking services for Musicians within the live events industry. The company is therefore exposed to any changes in this market as a whole and the effects of competitors operating within.

The live events industry for Musicians in the UK is a well established, stable market and the business continues to expand globally into new territories. Although operating in such a competitive market brings its associated risks, the directors do not foresee any significant uncertainty surrounding the future and the size of these markets and respond to this challenge by aiming to retain key employees and clients and looking for innovation in the services the company provides.

William Morris Endeavor Entertainment (U.K.) Limited continues to be a major player within the industry. The strength and depth of its current roster and that of its parent company mean the directors do not expect to lose market share to any of its competitors in the near future. For the long term the directors take pride in bringing in talented young potential agents and developing them through the company's internal training scheme. In order to ensure that the roster remains competitive the company actively seeks out new exciting musicians to represent.

Brexit

The uncertainty around Brexit and what it will entail makes it difficult to assess the impact it will have on the business. While there maybe additional burden on UK based talent playing in the EU, we have a large roster of internationally based artists to rely on. The Company also continues to expand into new and emerging territories outside of the EU.

Liquidity risks

The Company believes that future cash flows from operations and availability under existing credit facility with the parent Company will be sufficient to meet its ongoing operations and future developments. Under senior management's supervision, the Company manages its liquidity according to financial forecasts and expected cash flows.

Foreign exchange risks

The company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates, and so where possible natural hedges are used.

Key performance indicators ("KPIs")

We use revenue as our main financial KPI, and revenue is driven by new signings, developing up and coming artists, and creating worldwide tours for our high profile clients. The rise in revenue for the current year was due to timing differences in key artists touring schedules as well as the development of artists already on our roster and the addition of new artists too. Revenue for 2018 was £11,364,982 (2017: £9,235,573), an increase of 23%.

The profit for the financial year after taxation was £550,322 (2017: £507,133), an increase of 9%. This is largely due to an increase in revenue for the current year.

Going concern

The accompanying financial statements have been prepared on the assumption that the company will continue as a going concern and we continue to see opportunities in the company for the financial year 2019 and beyond.

The company has received assurance of financial support from its parent company, Endeavor Group Holdings Inc, which provided us with the reasonable expectation that the company has access to adequate resources to continue in operational existence for at least a period of 12 months from the approval of these financial statements.

Approved on behalf of the Board:

J Lublin
Director
Date: 24 September 2019

Directors' Report
For the Year Ended 31 December 2018

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

The Strategic Review forming part of this annual report and audited financial statements includes a business review, the principal risks and uncertainties and key KPI's that are otherwise required under section 416-418 of the Companies Act 2006 to be included in this Directors' report.

Future developments

We anticipate growing and developing our business over the coming year by identifying, signing and adding new artists to our roster. This affords us the opportunity to build and develop the careers of new artists. Additionally, we will continue to target top acts, and bring to them a team of agents who will present ideas on how we can broaden their presence, and make them more successful both financially, and as a brand.

Additionally, we continue to grow and build internally by adding effective agents who will bring in top level artists and authors.

Result and dividends

The profit for the financial year after taxation was £550,322 (2017: £507,133). The directors cannot recommend the payment of a dividend (2017: £nil)

Directors

The directors who held office during the year and up to date of signing the financial statements are given below:

J Lublin
P Whitesell
A Emanuel

Director's Indemnities

The company has made no qualifying third party indemnity provision for the benefit of its directors, and this remains the case at the date of this report.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved on behalf of the Board:

J Lublin
Director
Date: 24 September 2019

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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the 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.

Independent Auditor's report to the members of William Morris Endeavor Entertainment (U.K.) Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of William Morris Endeavor Entertainment (U.K.) Limited (the 'company'):
- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:
- the profit and loss account;
- the balance sheet;
- the statement of changes in equity;
- the related notes 1 to 15.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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 Financial Reporting Council's (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 are required by ISAs (UK) to report in respect of the following matters where:
- the directors' use of the going concern basis of accounting in 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.

We have nothing to report in respect of these matters.

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 respect of these matters.

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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

Use of our report

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

Sandy Sullivan

Sandy Sullivan, FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
Date: 24 September 2019

Profit and Loss Account
For the Year Ended 31 December 2018

	Notes	2018 £	2017 £
TURNOVER	3	11,364,982	9,235,573
Administrative expenses		(10,746,159)	(8,679,711)
OPERATING PROFIT		**618,823**	**555,862**
Interest receivable and similar income		4,689	16,015
PROFIT BEFORE TAXATION	4	**623,512**	**571,877**
Tax on profit	6	(73,190)	(64,744)
PROFIT FOR THE FINANCIAL YEAR	11	**550,322**	**507,133**

All amounts above in relation to the current and comparative year relate to continuing operations.

The company has no recognized gains and losses other than those included in the results above, and therefore no separate statement of other comprehensive income has been presented, for both the current and prior financial period.

Balance Sheet
As at 31 December 2018

	Notes	2018 £	2017 £
FIXED ASSETS			
Tangible assets	7	1,202,867	1,422,580
		1,202,867	1,422,580
CURRENT ASSETS			
Debtors	8	9,439,647	7,252,319
Cash at bank and in hand		13,957,656	10,625,689
		23,397,303	**17,878,008**
CREDITORS: amounts falling due within one year	9	(19,077,619)	(14,328,359)
NET CURRENT ASSETS		**4,319,684**	**3,549,649**
TOTAL ASSETS LESS CURRENT LIABILITIES		**5,522,551**	**4,972,229**
CREDITORS: amounts falling due greater than one year	10	(100,681)	(100,681)
NET ASSETS		**5,421,870**	**4,871,548**
CAPITAL AND RESERVES			
Called up share capital	11	1,000	1,000
Profit and loss account	12	(6,715,963)	(7,266,285)
Capital contribution reserve	13	12,136,833	12,136,833
TOTAL SHAREHOLDERS' FUNDS	13	**5,421,870**	**4,871,548**

The financial statements of William Morris Endeavor Entertainment (U.K.) Limited (Registered company number 00841344), were approved by the board of directors and authorized for issue on:

Signature on behalf of the Board

J. Lublin
Director
Date: 24 September 2019

Statement of Changes in Equity
For the year ended 31 December 2018

	Called up Share capital	Profit and loss account	Capital contribution reserve	Total
	£	£	£	£
At 1 January 2017	1,000	(7,773,418)	12,136,833	4,364,415
Profit for the year	-	507,133	-	507,133
At 31 December 2017	1,000	(7,266,285)	12,136,833	4,871,548
At 1 January 2018	1,000	(7,266,285)	12,136,833	4,871,548
Profit for the year	-	550,322	-	550,322
At 31 December 2018	1,000	(6,715,963)	12,136,833	5,421,870

Notes to the Financial Statements
For the Year Ended 31 December 2018

1 ACCOUNTING POLICIES

William Morris Endeavor Entertainment (U.K.) Limited ('the Company') is a private company limited by shares incorporated in the United Kingdom under the Companies Act and is registered in England and Wales. The address of the registered office is given on page 3. The nature of the Company's operations and its principal activities are set out in the strategic report on page 4.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of the Company is considered to be Pounds Sterling because that is the currency of the primary economic environment in which the Company operates. The presentational currency is Pounds Sterling.

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 its separate financial statements. The Company is consolidated in the financial statements of its parent, Endeavor Group Holdings Inc., which are available from our corporate offices located at 1360 E. 9th Street, Suite 100, Cleveland, Ohio, 44114, United States of America. Exemptions have been taken in these separate Company financial statements in relation to financial instruments, presentation of a cash flow statement and related party transactions. Effective 1 January 2016, the Company entered into a Sales support and Services Agreement with group company International Management Group (U.K.) Limited. Under this agreement the Company acts as a Service Provider to the group company and is compensated for services provided. Advantage has been taken of the exemption permitted by FRS 102 not to disclose transactions recorded in the period.

Going concern

The accompanying financial statements have been prepared on the assumption that the company will continue as a going concern and the directors continue to see opportunities in the company for the financial year 2018 and beyond.

The profit for the financial year after taxation was £550,322 (2017: £507,133). The net asset position at year-end was £5,421,870 (2017: £4,871,548) and the amount owed from the group, net of amounts owed to the group, was £2,037,384 (2017: £1,581,550).

The company has received assurance of financial support from its parent company, Endeavor Group Holdings Inc., which provided us the reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis in preparing the financial statements.

Turnover

Turnover represents commission earned on an agent relationship with its talent in respect of services provided by the company during the year, excluding value added tax, and is recognized when the event to which it relates occurs. Acting as an agent on behalf of our talent allows the company to secure contractual engagements with a relevant third party and ensures that all participants are protected until the event takes place.

Trade debtors

Trade debtors represents income due to the agency net of bad debt provisions that has not yet been finalized, invoiced or settled, and are initially recognized at the amount due and then subsequently assessed for impairment.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, net of accumulated depreciation and any provision for impairment. Depreciation is provided on cost less residual value in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Short-term leasehold property	Straight-line basis over the lease of the building
Fixtures, fittings, and equipment	Straight-line basis over 3 to 7 years

Leasing

Rentals payable under operating leases are charged against income on a straight-line basis over the lease term.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account as they are incurred.

Notes to the Financial Statements
For the Year Ended 31 December 2018

ACCOUNTING POLICIES (CONTINUED)

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognized in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognized in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognized only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

When the amount that can be deducted for tax for an asset that is recognized in a business combination is less (more) than the value at which it is recognized, a deferred tax liability (asset) is recognized for the additional tax that will be paid (avoided) in respect of that difference. Similarly, a deferred tax asset (liability) is recognized for the additional tax that will be avoided (paid) because of a difference between the value at which a liability is recognized and the amount that will be assessed for tax.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the company intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Cash at bank and in hand

Included within here are client accounts held on an agent relationship basis with the Company's clients. Funds held in these accounts are restricted so that the Company has no access to them, and funds are held in deposit in these accounts until the event to which it relates occurs.

Pension costs

Pension costs relate to Group personal pension schemes, which are all part of a defined contribution scheme. The amount charged to the profit and loss account in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Notes to the Financial Statements
For the Year Ended 31 December 2018

2 SIGNIFICANT JUDGEMENTS AND ESTIMATES

In the application of the Company's accounting policies, which are described in note 1, 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 differ from these estimates.

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

Critical accounting judgements and key sources of estimation uncertainty
There are no critical judgements or key sources of estimation uncertainty.

3 TURNOVER

The total turnover of the company for the year has been derived from its principal activity of providing of Agency services and has been wholly undertaken in the UK.

4 PROFIT BEFORE TAXATION

	2018	2017
	£	£
Profit before taxation is after charging/(crediting):		
Depreciation of owned tangible fixed assets	233,186	235,963
Rentals under operating leases	962,863	895,768
Related party income	(1,630,297)	(2,428,755)
Foreign exchange losses	41,380	4,109
Auditor's remuneration		
- Fees payable to the Company's auditor for the audit of the Company's annual financial statements	40,250	40,250

5 INFORMATION REGARDING DIRECTORS AND EMPLOYEES

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

	2018	2017
	No.	No.
Sales and distribution	55	49
Administration	21	22
	76	71

Staff costs during the year	2018	2017
	£	£
Wages and salaries	6,832,664	5,604,616
Social security	909,906	742,185
Pension costs	225,863	203,082
Share based payments	243,531	689,889
	8,211,964	7,239,772

Directors' emoluments

	2018	2017
	£	£
Remuneration and other benefits	-	-

During the year, the directors of the company received no emoluments directly from the company. The remuneration of the directors is borne by another group company. The number of directors contributing to defined contribution pension schemes during the year was £nil (2017: £nil).

Notes to the Financial Statements
For the Year Ended 31 December 2018

6 TAX ON PROFIT

The Finance Act 2015 changed the rate from 20% to 19% during the year.

	2018	2017
	£	£
UK total taxation		
Total tax on income for the period	40,777	3,083
Adjustments in respect of prior periods	(39,887)	634
	890	3,717
Foreign tax		
Total tax on income for the period	-	-
Total tax	890	3,717
Deferred tax		
Origination and reversal of timing differences	85,421	61,027
Change in tax rates	(13,121)	-
	72,300	61,027
Total tax charge/(credit) on profit on ordinary activities	73,190	64,744

Factors affecting current year tax charge

The total tax credit for the year is lower (2017: lower) than the standard rate of corporation tax in the UK 19% (2017: 19.25%)

	2018	2017
Profit on ordinary activities before tax	623,512	571,877
Total tax at 19% (2017: 19.25%)	118,467	110,086
Effects of:		
Expenses not deductible for tax purposes	22,353	253,580
Share based payments	(14,622)	
Difference between capital allowances and depreciation		337
Short term timing differences		100,506
Utilisation of tax losses		(400,399)
Adjustments to tax charge in respect of previous periods	(39,887)	634
Rate changes	(13,121)	
Total tax charge/(credit)	73,190	64,744

Notes to the Financial Statements
For the Year Ended 31 December 2018

7 TANGIBLE FIXED ASSETS

	Short-term leasehold property	Fixtures, fittings, and equipment	Total
	£	£	£
Cost			
At 1 January 2018	1,721,822	795,326	2,517,148
Additions	-	13,473	13,473
At 31 December 2018	1,721,822	808,799	2,530,621
Accumulated depreciation			
At 1 January 2018	649,374	445,194	1,094,568
Charge for the year	172,182	61,004	233,186
At 31 December 2018	821,556	506,198	1,327,754
Net book amount			
At 31 December 2018	900,266	302,601	1,202,867
At 31 December 2017	1,072,447	350,132	1,422,580

8 DEBTORS

	2018	2017
	£	£
Trade debtors	164,730	428,031
VAT	396,669	-
Other debtors	13,196	16,916
Deferred tax	51,178	123,476
Prepayments and accrued income	494,055	463,441
Amounts owed from group undertakings	8,319,819	6,220,455
	9,439,647	7,252,319

Amounts owed from group undertakings are repayable on demand and do not attract interest.

	2018	2017
Deferred tax	£	£
The net deferred tax asset of £51,177 (2017: £123,476) is made up as follows:		
Tax losses	30,269	142,197
Short term timing differences	5,506	5,107
Fixed Asset timing difference	15,402	(23,827)
	51,177	123,476

The net reversal of deferred tax expected to occur next year is not material.

There is no expiry date on timing differences, unused tax losses or tax credits.

	2018	2017
Current period movements:	£	£
At 1 January	123,476	184,503
Prior year adjustment	-	-
Charge to the profit and loss account for the year	(72,299)	(61,027)
At 31 December	51,177	123,476

A deferred tax asset in respect of tax losses and other timing differences of £34,425 (measured at 17%) has not been recognised due to uncertainty over suitable taxable profits against which it may reverse.

Notes to the Financial Statements
For the Year Ended 31 December 2018

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Trade creditors	11,456,312	8,608,227
Other Creditors	99,127	-
Amounts owed to group undertakings	6,282,435	4,638,905
Taxation and social security *	1,025,688	392,637
Accruals and deferred income	214,057	688,590
	19,077,619	14,328,359

* VAT receivable of £316,104 included under Taxation & Security in 2017

Included in the trade creditors balance is £11,428,420 (2017: £8,586,893) held in trust on behalf of clients. The equal and opposite value is included in the cash balance and this cash is restricted.

Amounts owed to group undertakings are repayable on demand and do not attract interest.

10 CREDITORS: AMOUNTS FALLING DUE GREATER THAN ONE YEAR

The long term liability of £100,681 (2017: £100,681) relates to an amount that will be settled in cash upon vesting of the shares in respect of the reward scheme. Refer to note 13 for further detail on the share based payments.

11 CALLED UP SHARE CAPITAL

	2018	2017
	£	£
Called up, allotted and fully paid		
1,000 (2017: 1,000) ordinary shares of £1 each	1,000	1,000

12 RECONCILIATION OF MOVEMENTS IN PROFIT AND LOSS ACCOUNT

	Profit and loss account
	£
At 1 January 2018	(7,266,285)
Profit for the financial year	550,322
At 31 December 2018	(6,715,963)

13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2018	2017
	£	£
Opening shareholders' funds	4,871,548	4,364,415
Profit for the financial year	550,322	507,133
Closing shareholders' funds	5,421,870	4,871,548

Notes to the Financial Statements
For the Year Ended 31 December 2018

14 SHARE BASED PAYMENTS

The Board of Endeavor Operating Company, LLC (dba Endeavor) (formerly WME Entertainment Parent, LLC) (the "Parent Company") grants various awards to certain employees and service providers for their time and commitment to the Parent Company. The awards are designed to share in the equity value appreciation of the Parent Company and are granted under various plans either directly by a Parent Company subsidiary or indirectly through various management holdco entities. Awards granted are in the form of common units, profits units or an equivalent to a profits unit (membership interest or phantom unit) that corresponds to common units or profits units as applicable.

The following table summarizes the Parent Company's plans and awards authorized as of December 31, 2018:

Plan	Entities	Awards	Total Units Authorised As of December 31, 2018
Management Awards	WME Iris Management Holdco, LLC	Profits Units & Phantom Units	348,176,864
	WME Iris Management Holdco II, LLC		
	WME Iris Management Holdco III, LLC		
	WME Iris Management Holdco IV, LLC		
	WME Iris Management Holdco V, LLC		
	WME Iris Management Holdco V, LLC		
SCP Awards	WME IMG SCP, LLC	Profits Units & Phantor	20,763,316
WME Holdco Awards	WME Holdco, LLC	Membership Units, Profits Units & Phantom Units	665,247,103

The terms of each award, including vesting, forfeiture and repurchase terms, are fixed by the Board of the Parent Company. Key grant terms include the following: (a) time-based vesting over three to four year period; (b) certain vesting acceleration upon the Parent Company's attainment of certain equity value thresholds and a qualifying sale transaction and (c) optional repurchase by the Parent Company of all or part of any vested interests retained following termination of employment or service for 50% to 100% of fair market value. Terms of some awards granted also include performance-based vesting at graduated levels upon the Parent Company's attainment of certain equity value thresholds as measured upon certain events.

The Parent Company estimates the fair value of each award on the date of grant using a Black-Scholes option pricing model. Management is required to make certain assumptions with respect to selected model inputs. Expected volatility is based on comparable publicly traded companies' stock movements. The expected life represents the period of time that the respective awards are expected to be outstanding. The risk free interest rate is based on the U.S treasury yield curve in effect at the time of grant.

Management Awards

No Management Award units were granted in the year ended December 31, 2018. The key assumptions used for Management Award units granted in the year ended December 31, 2017 are as follows:

	2017
Risk-free interest rate	1.16% - 1.76%
Expected volatility	50%
Expected life (in years)	1 to 5
Expected dividend yield	0%

Notes to the Financial Statements
For the Year Ended 31 December 2018

13 SHARE BASED PAYMENTS (CONTINUED)

The following table summarises time-vested Management Awards activity:

	Time vested Management Awards	Weighted Average Grant Date Fair Value
Outstanding at 31 December 2017	459,366	$ 0.40
Granted		$ -
Exercised	-	$ -
Forfeited or expired	-	$ -
Outstanding at 31 December 2018	459,366	$ 0.40
Expected to vest at 31 December 2018	459,366	$ 0.40

The following table summarises performance-vested Management Awards activity:

	Performance vested Management Awards	Weighted Average Grant Date Fair Value
Outstanding at 31 December 2017	459,365	$ 0.27
Granted	-	$ -
Exercised	-	$ -
Forfeited or expired	-	$ -
Outstanding at 31 December 2018	459,365	$ 0.27
Expected to vest at 31 December 2018	459,365	$ 0.27

As a result, share based payments being the fair value of equity instruments of £112,558 (2017: £nil) have been recognised as an employee expense in the year.

During the year ended December 31, 2018, the Parent Company modified certain award agreements to accelerate the vesting of units. The Company recorded additional equity-based compensation expense of £65,123 for these modifications.

SCP Awards

No SCP Award units were granted in the years ended December 31, 2017 and 2018. The following table summarizes SCP Awards activity:

	Time vested SCP Awards	Weighted Average
Outstanding at 31 December 2017	132,090	$ 0.43
Granted	-	$ -
Exercised	-	$ -
Forfeited or expired	-	$ -
Outstanding at 31 December 2018	132,090	$ 0.43
Expected to vest at 31 December 2018	132,090	$ 0.43

Notes to the Financial Statements
For the Year Ended 31 December 2018

SHARE BASED PAYMENTS (CONTINUED)

As all units were fully vested Dec 31 2017, share based payments being the fair value of equity instruments of £nil (2017: £38,592) have been recognised as an employee expense in the year.

WME Holdco Awards

No WME Holdco Award units were granted in the years ended December 31, 2017 and 2018. The following table summarizes WME Holdco Awards activity:

	Time vested WME Holdco Awards	Weighted Average Grant Date Fair Value
Outstanding at 31 December 2017	4,009,512	$ 0.32
Granted	-	$ -
Exercised	-	$ -
Forfeited or expired	(270,238)	$ 0.43
Outstanding at 31 December 2018	3,739,274	$ 0.32
Expected to vest at 31 December 2018	3,739,274	$ 0.32

As a result, share based payments being the fair value of equity instruments of £130,150 (2017: £651,296) have been recognised as an employee expense in the year.

Equity Buyback

During the year ended 31 December 2017, the Parent Company completed a unit buyback, which was approved by the Board of the Parent Company. For the Company, the buyback included a repurchase of 686,322 total vested units for £689,888, which was based on the fair value of the units. The Company recorded £490,854 to intercompany and £199,034 to equity-based compensation during the year ended 31 December 2017. The payments under the unit buyback are primarily being paid in three equal installments with the first payment made in March 2017, the second payment made in the first quarter of 2018 and the third payment being made in the first quarter of 2019. Remaining payments under the unit buyback are held at the Parent Company as of 31 December 2018.

14 OPERATING LEASE COMMITMENTS

At 31 December 2018 the company had future minimum lease payments as follows:

	Land and building	Land and building
	2018	2017
	£	£
Expiry date:		
Less than one year	1,412,010	746,473
In two to five years	5,648,040	-
In over five years	-	-
	7,060,050	746,473

The lease expires in over five years and the 2018 Profit and Loss account charges incurred were £962,863 (2017: £895,768). In the table above the disclosure for the total due relates to the minimum lease payments for the next 5 years.

Notes to the Financial Statements
For the Year Ended 31 December 2018

15 *ULTIMATE PARENT COMPANY AND CONTROLLING PARTY*

As at 31 December 2018, the ultimate parent company and ultimate controlling party is Endeavor Group Holdings Inc., a company formed and located in the United States of America. Its address is 9601 Wilshire Blvd, Beverly Hills, California, 90210, United States of America.

Endeavor Group Holdings Inc. is the largest and smallest group of which the company is a member and for which group financial statements are prepared.

The immediate parent company is Endeavor Group Holdings Inc., a company formed and located in the United States of America. Its address is 9601 Wilshire Blvd, Beverly Hills, California, 90210, United States of America.

Requests for financial information should be addressed to International Management Group, 1360 E. 9th Street, Suite 100, Cleveland, Ohio, 44114, United States of America.