

Electric Word Limited

Annual Report and Unaudited Financial Statements
for the Year Ended 31 December 2019

Electric Word Limited

Contents

Company Information	<u>1</u>
Directors' Report	<u>2</u>
Profit and Loss Account	<u>3</u>
Balance Sheet	<u>4</u>
Statement of Changes in Equity	<u>5</u>
Notes to the Unaudited Financial Statements	<u>6 to 12</u>

Electric Word Limited

Company Information

Directors	Mr Riccardo Silva Mr Marco Auletta Mrs Janet Treacy Pierce
Company secretary	Mrs Janet Treacy Pierce
Registered office	Park House 116 Park Street London W1K 6AF
Accountants	Charter Tax Consulting Ltd 11 St. James's Place London SW1A 1NP

Electric Word Limited

Directors' Report for the Year Ended 31 December 2019

The directors present their report and the unaudited financial statements for the year ended 31 December 2019.

This report has been prepared in accordance with the special provisions of section 381 of the Companies Act 2006 relating to small companies. The directors has taken exemption under this regime not to disclose the strategic report.

Directors of the company

The directors, who held office during the year, were as follows:

Mr Riccardo Silva

Mr Marco Auletta

Mrs Janet Treacy Pierce

Going concern

The financial statements have been prepared on a going concern basis.

Small companies provision statement

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Approved by the Board on 11 November 2020 and signed on its behalf by:

.....
Mrs Janet Treacy Pierce
Company secretary and director

Electric Word Limited

Profit and Loss Account for the Year Ended 31 December 2019

	Note	2019 £	2018 £
Turnover	<u>3</u>	10,111	16,467
Administrative expenses		<u>(14,076)</u>	<u>(30,032)</u>
Operating loss	<u>4</u>	<u>(3,965)</u>	<u>(13,565)</u>
Interest receivable and similar income	<u>5</u>	76	268
Interest payable and similar expenses	<u>6</u>	<u>(2)</u>	<u>(26)</u>
		<u>74</u>	<u>242</u>
Loss before tax		(3,891)	(13,323)
Tax on loss		<u>42,684</u>	<u>-</u>
Profit/(loss) for the year		<u><u>38,793</u></u>	<u><u>(13,323)</u></u>

The above results were derived from continuing operations.

Electric Word Limited

(Registration number: 03934419)
Balance Sheet as at 31 December 2019

	Note	31 December 2019 £	31 December 2018 £
Fixed assets			
Investments	<u>9</u>	2,988,272	2,988,272
Current assets			
Debtors	<u>10</u>	317,149	305,076
Cash at bank and in hand	<u>11</u>	767	66,999
		<u>317,916</u>	<u>372,075</u>
Creditors: Amounts falling due within one year			
Trade and other payables	<u>12</u>	(475,942)	(568,894)
Net current liabilities		<u>(158,026)</u>	<u>(196,819)</u>
Net assets		<u>2,830,246</u>	<u>2,791,453</u>
Capital and reserves			
Called up share capital	<u>13</u>	100,000	100,000
Profit and loss account		<u>2,730,246</u>	<u>2,691,453</u>
Shareholders' funds		<u>2,830,246</u>	<u>2,791,453</u>

For the financial year ending 31 December 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Approved by the Board on 11 November 2020 and signed on its behalf by:

.....
Mrs Janet Treacy Pierce
Company secretary and director

Electric Word Limited

Statement of Changes in Equity for the Year Ended 31 December 2019

	Share capital £	Retained earnings £	Total £
At 1 January 2019	100,000	2,691,453	2,791,453
Profit for the year	-	38,793	38,793
Total comprehensive income	-	38,793	38,793
At 31 December 2019	100,000	2,730,246	2,830,246
	Share capital £	Retained earnings £	Total £
At 1 December 2017	100,000	2,704,776	2,804,776
Loss for the year	-	(13,323)	(13,323)
Total comprehensive income	-	(13,323)	(13,323)
At 31 December 2018	100,000	2,691,453	2,791,453

Electric Word Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2019

1 General information

The company is a private company limited by share capital, incorporated in England and Wales and domiciled in England.

The address of its registered office is:

Park House
116 Park Street
London
W1K 6AF
England

These financial statements were authorised for issue by the Board on 11 November 2020.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework.

The functional and presentational currency of the Company is UK Pound Sterling (£).

The principal activity of the Company is that of a holding Company for a specialist information group supporting commercial decision-making through a combination of digital, print and in-person formats.

Summary of disclosure exemptions

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

A cash flow statement and related notes;

The effects of new but not yet effective IFRSs;

Disclosures in respect of the compensation of 'Key Management Personnel';

Disclosures in respect of capital management;

Disclosure of transactions within the management entity that provides key management personnel services to the company.

Going concern

The financial statements have been prepared on a going concern basis.

Electric Word Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2019

Exemption from preparing group accounts

The financial statements contain information about Electric Word Limited as an individual company and do not contain consolidated financial information as the parent of a group.

The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Sport Business Acquisitions Limited, a company incorporated in England and Wales.

Changes in accounting policy

None of the standards, interpretations and amendments effective for the first time from 1 January 2019 have had a material effect on the financial statements.

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the provision of management services to subsidiary companies. Revenue is the amount derived from ordinary activities and is shown net of sales/value added tax.

The company recognises revenue when the services are delivered.

Foreign currency transactions and balances

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into the functional currency at the rates of exchange ruling at that date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences on translation are recorded in the Profit and Loss Account.

Tangible assets

Property, plant and equipment is stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

On disposal of an asset, the difference between the proceeds and residual net book value at that time is taken to the income statement as a gain or loss on disposal.

The cost of property, plant and equipment includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

The assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable or as otherwise required by accounting standards. Impairment losses are recognised in the income statement,

Asset class	Depreciation method and rate
Fixtures, fittings and equipment	30% reducing balance
Computer equipment	50% straight line

Investments

Investments in subsidiaries are held at cost less accumulated impairment losses.

Electric Word Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2019

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Trade debtors

Trade receivables are amounts due from the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

3 Turnover

The analysis of the company's turnover for the year from continuing operations is as follows:

	2019 £	2018 £
Office management recharges	9,996	16,467
Other revenue	115	-
	<u>10,111</u>	<u>16,467</u>

4 Operating profit

Arrived at after charging/(crediting)

	2019 £	2018 £
Depreciation expense	-	1,842
Amortisation expense	-	2,574
Foreign exchange losses	(102)	(3,876)
Loss on disposal of property, plant and equipment	-	1,249

Electric Word Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2019

5 Interest receivable and similar income

	2019	2018
	£	£
Interest income on bank deposits	76	268

6 Interest payable and similar expenses

	2019	2018
	£	£
Interest on bank overdrafts and borrowings	2	26

7 Staff costs

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2019	2018
	No.	No.
Other departments	3	3
	3	3

8 Tangible assets

	Other property, plant and equipment £	Total £
Cost or valuation		
At 1 January 2019	7,055	7,055
At 31 December 2019	7,055	7,055
Depreciation		
At 1 January 2019	7,055	7,055
At 31 December 2019	7,055	7,055
Carrying amount		
At 31 December 2019	-	-

Electric Word Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2019

9 Investments

Subsidiaries

£

Cost or valuation

At 1 December 2017	2,988,272
At 31 December 2018	2,988,272
At 1 January 2019	2,988,272
At 31 December 2019	2,988,272

Carrying amount

At 31 December 2019	2,988,272
At 31 December 2018	2,988,272

Details of the subsidiaries as at 31 December 2019 are as follows:

Name of subsidiary	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held 2019	2018
SBG Companies Limited*	Providing business insight, data and analysis to executives in the global business of sport.	Park House, 116 Park Street, London, England, W1K 6AF England and Wales	Ordinary	100%	100%
P2P Publishing Limited*	The collection of royalty income from The School Run, a business formerly owned by the Company.	Park House, 116 Park Street, London, England, W1K 6AF England and Wales	Ordinary	100%	100%
SM 2016 Ltd. *	Dormant	Park House, 116 Park Street, London, England, W1K 6AF England and Wales	Ordinary	100%	100%
Health Publishing 2015 Ltd*	Dormant	Park House, 116 Park Street, London, England, W1K 6AF England and Wales	Ordinary	100%	100%

Electric Word Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2019

Name of subsidiary	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held	
				2019	2018
Incentive Plus Ltd*	Dormant	Park House, 116 Park Street, London, England, W1K 6AF England and Wales	Ordinary	100%	100%

* indicates direct investment of Electric Word Limited.

10 Trade and other debtors

	31 December 2019	31 December 2018
	£	£
Debtors from related parties	289,671	288,060
Accrued income	26,463	16,467
Other debtors	1,015	549
	<u>317,149</u>	<u>305,076</u>

11 Cash at bank and in hand

	31 December 2019	31 December 2018
	£	£
Cash on hand	494	494
Cash at bank	273	66,505
	<u>767</u>	<u>66,999</u>

12 Trade and other creditors

	31 December 2019	31 December 2018
	£	£
Trade creditors	4,740	764
Accrued expenses	2,750	3,000
Amounts due to related parties	465,543	529,450
Other creditors	2,909	35,680
	<u>475,942</u>	<u>568,894</u>

Electric Word Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2019

13 Share capital

Allotted, called up and fully paid shares

	31 December 2019		31 December 2018	
	No.	£	No.	£
Ordinary of £0.01 each	10,000,000	100,000.00	10,000,000	100,000.00

14 Related party transactions

Summary of transactions with other related parties

The company has taken advantage of the exemption in FRS 101 that transactions do not need to be disclosed with companies whose voting rights are wholly controlled within the group.

15 Parent of group in whose consolidated financial statements the company is consolidated

The name of the parent of the group in whose consolidated financial statements the company's financial statements are consolidated is Sport Business Acquisitions Limited.

These financial statements are available upon request from Park House, 116 Park Street, London, United Kingdom, W1K 6AF.

16 Parent and ultimate parent undertaking

The entity is wholly owned by Sport Business Acquisitions Limited.

The company's immediate parent is Sport Business Acquisitions Limited.

The ultimate parent is Silva International Investments (UK) Ltd.

The most senior parent entity producing publicly available financial statements is Sport Business Acquisitions Limited. These financial statements are available upon request from Park House, 116 Park Street, London, United Kingdom, W1K 6AF.

The ultimate controlling party is Silva International Investments (UK) Ltd.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.