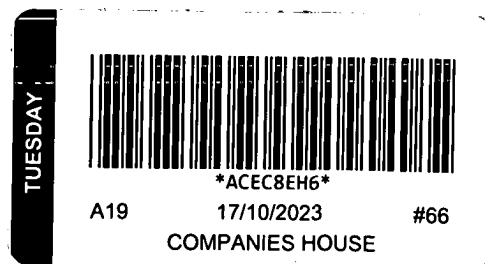


WALK IN THE GATE LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2023



WALK IN THE GATE LTD

COMPANY INFORMATION

Directors	B Rudman P Reid D Yardley
Registered number	05532622
Registered office	34 Bow Street London WC2E 7AU
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 17th Floor 103 Colmore Row Birmingham B3 3AG
Bankers	HSBC UK Bank plc 1 Centenary Square Birmingham B1 1HQ

WALK IN THE GATE LTD

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WALK IN THE GATE LTD

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2023

STRATEGIC REPORT FOR THE YEAR ENDED 28 FEBRUARY 2023

The directors present the strategic report for the year ended 28 February 2023.

Fair review of the business

The company is a full-service creative and media agency, offering expertise across creative advertising services, paid search, natural search, content, analytics and paid media.

During the period gross profit increased by 45% (increased by 102%) and the operating profit was £1,643k (2022: loss £75k).

Shareholders funds amounted to £2,251k (2022: £695k) at the Balance sheet date, after a dividend of £Nil (2022: £Nil).

Key Performance Indicators

The key performance indicators are:

Gross profit: £11,016,975 (2022: £7,591,560).

Operating profit as a percentage of gross profit: 14.9% (2022: (1.0)%).

Gross profit per employee: £141,243 (2022: £165,034).

KPI's are monitored on a monthly basis as part of the management process.

Financial risk management

The company was part of a group financing arrangement during the financial year, which was operated by Ensco 1314 Limited, for the benefit of the group. The group liabilities comprise external term debt, as well as bank revolving credit and overdraft facilities. The company has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations. The company does not enter into derivative transactions.

It is, and has been throughout the period under review, the company's policy that no trading in financial instruments shall be undertaken. The main risks arising from the company's financial instruments are interest rate risk, liquidity risk, credit risk and foreign currency risk. The board reviews and agrees policies for managing each of these risks and they are summarised below.

Credit risk: The company credit insures all clients and if credit insurance is not available clients are required to prepay any media budgets.

Foreign exchange risk: The company manages foreign exchange risk by billing clients in the same currency as the media booking.

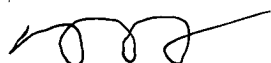
WALK IN THE GATE LTD

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2023**

Position of the company at the year end

Careful cash management within the company means that the business has no borrowings and the directors do not believe this is likely to change in the next 12 months. The company is profitable and the directors look forward to continued growth in 2023.

This report was approved by the board on 28 September 2023 and signed on its behalf.

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke extending to the right.

D Yardley
Director

WALK IN THE GATE LTD

DIRECTORS' REPORT FOR THE YEAR ENDED 28 FEBRUARY 2023

The directors present their report and the financial statements for the year ended 28 February 2023.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 for the company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' reports may differ from legislation in other jurisdictions.

Post balance sheet events

The company is a subsidiary of MSQ Partners Limited and its ultimate parent company at year end was Ensco 1314 Limited ('Ensco'). On 6 June 2023, Ensco was purchased by Marvel Bidco Limited ('Marvel Bidco'), a company incorporated for the purpose of acquiring the MSQ Group. The ultimate parent of Marvel Bidco is Marvel Topco Limited ('Marvel Topco'). The majority investors in the group are funds controlled by One Equity Partners ('OEP'), a leading US-based mid-market Private Equity Fund. Our previous majority shareholders LDC Private Equity ('LDC') retain a significant minority stake, as do MSQ's management.

Along with the direct investment from these funds, Marvel Bidco entered into a funding arrangement with a consortium of banks (HSBC UK Bank plc, Siemens Bank GmbH (London branch), Barclays Bank plc and Investec Bank plc) which saw it draw down new term loan facilities and secure a new working capital facility. The existing Group debt facilities were paid down as part of the overall transaction.

The resulting position sees OEP's funds owning 59.6% and LDC's funds owning 15.6% of the equity of Marvel Topco, with the remaining 24.8% sitting with management and non-executive Directors. OEP's funds also control 66.4% of the voting rights of Marvel Topco. LDC's funds control 17.4% of the voting rights, and the remaining 16.2% is controlled by management and non-executive Directors.

WALK IN THE GATE LTD

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2023

Going concern

The directors believe that it is appropriate to adopt the going concern basis of accounting in preparing the financial statements.

The directors of Ensco and the MSQ Partners Group of companies continue to prepare a detailed set of financial to assess the ability of the Group to meet its obligations going forwards. The directors have stress-tested the financial forecasts for reasonably possible alternative scenarios, including the uncertainty of the impact current macroeconomic challenges.

These show that the Group has sufficient cash reserves, along with headroom in financial facilities and covenants to support its activities based on both forecasted trading levels (against which the business is currently trading favourably) and in the event of a further significant and extended economic downturn in all markets. The funding is also held for a period of at least 12 months from the date of signing of the financial statements, implicit within this is that the Group has sufficient resources to pay all debts as they fall due for the next 12 months. As such, these financial statements have been prepared on a going concern basis.

Principal activity

The principal activities of the company continued to be the provision of digital media services.

Under CA2006 s414C(11), the information relating to future developments and risk management are included in the strategic report.

Results and dividends

The profit for the year, after taxation, amounted to £1,556,152 (2022 - £140,033).

A dividend of £Nil was paid in the year (2022: £Nil). The directors do not recommend payment of a final dividend.

Matters included in the Strategic report

The business review, future developments and principal risks and uncertainties have been included in the Strategic report.

Directors

The directors who served during the year were:

B Rudman
P Reid
D Yardley

Qualifying third party indemnity provisions

The company has provided qualifying third party indemnity provisions in respect of the directors who were in force during the period and at the date of the report.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed 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 ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

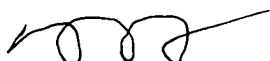
WALK IN THE GATE LTD

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2023**

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 28 September 2023 and signed on its behalf.



D Yardley
Director



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WALK IN THE GATE LTD

Opinion

We have audited the financial statements of Walk in the Gate Limited (the 'company') for the year ended 28 February 2023, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, and notes to the financial statements, 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 28 February 2023 and of its profit 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 are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from macro-economic uncertainties such as the cost of living crisis, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WALK IN THE GATE LTD (CONTINUED)

Other information

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

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 themselves. 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.

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.

Matter on which we are required to report under the Companies Act 2006

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 strategic report or the directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which 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.

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.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WALK IN THE GATE LTD (CONTINUED)

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are those that relate to the reporting frameworks (FRS 102 and Companies Act of 2006).
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.
- We understood how the Company is complying with legal and regulatory frameworks by enquiring of management and corroborating such enquiries through our review of board minutes and certain other audit procedures.
- We assessed the susceptibility of the Company's financial statements to material misstatement including how fraud might occur by enquiring of employees from different areas of the business to understand where it is considered a susceptibility of fraud. We considered the programs and controls that the Company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programs and control. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risks, including:
 - Procedures performed on journal entries, with particular focus on entries affecting revenue, profit affecting journals and entries affecting cash as this is where we have determined the risk of fraud to be heightened;
 - Procedures performed on revenues, with a focus on the revenues which have been released from deferred income during the year, and revenues from customer contracts which have related deferred and accrued income balances at year end; and
 - Procedures to conclude on the compliance of disclosure in the annual report and accounts with applicable financial reporting requirements.
- In assessing the potential risks of material misstatement, we obtained an understanding of:
 - The entity's operations, including the nature of its revenue sources and services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement; and
 - The entity's control environment, including the policies and procedure implemented to comply with the entity's relevant regulatory requirements, including the adequacy of procedures for authorisation of transactions, internal review procedures over the entity's compliance with regulatory requirements and procedures to ensure that possible breaches of requirements are appropriately investigated and reported.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WALK IN THE GATE LTD (CONTINUED)

Auditor's responsibilities for the audit of the financial statements (continued)

- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- The engagement partner has assessed the appropriateness of the collective competences and capabilities of the engagement team including consideration of the engagement teams:
 - Understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation;
 - Knowledge of the industry in which the client operates; and
 - Understanding of the legal and regulatory requirements specific to the entity including:
 - The provision of the applicable legislation;
 - The regulators rules and related guidance, including guidance issued by relevant authorities that interprets those rules;
 - The applicable statutory provisions.

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

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.

Grant Thornton UK LLP

Matthew Buckingham BSc ACA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Birmingham

Date: 29/9/2023

WALK IN THE GATE LTD

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 28 FEBRUARY 2023

	Note	2023 £	2022 £
Turnover	4	47,311,806	40,584,957
Cost of sales		(36,294,831)	(32,993,397)
Gross profit		11,016,975	7,591,560
Administrative expenses		(9,373,864)	(7,696,426)
Other operating income	5	-	29,160
Operating profit/(loss)	6	1,643,111	(75,706)
Interest payable and similar expenses		(268,933)	-
Profit/(loss) before tax		1,374,178	(75,706)
Tax on profit/(loss)	10	181,974	215,739
Profit and total comprehensive income for the year		<u>1,556,152</u>	<u>140,033</u>

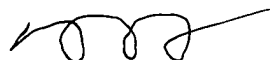
The notes on pages 13 to 29 form part of these financial statements.

WALK IN THE GATE LTD
REGISTERED NUMBER:05532622

BALANCE SHEET
AS AT 28 FEBRUARY 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	11	-	1
Tangible assets	12	61,781	46,406
Investments	13	4,296,898	4,296,898
		<u>4,358,679</u>	<u>4,343,305</u>
Current assets			
Work in progress	14	47,127	31,462
Debtors: amounts falling due within one year	15	12,304,973	14,008,252
Cash at bank and in hand	16	2,598,905	2,858,131
		<u>14,951,005</u>	<u>16,897,845</u>
Creditors: amounts falling due within one year	17	(16,117,970)	(18,822,492)
Net current liabilities		(1,166,965)	(1,924,647)
Total assets less current liabilities		<u>3,191,714</u>	<u>2,418,658</u>
Creditors: amounts falling due after more than one year	18	(940,904)	(1,724,000)
Net assets		<u><u>2,250,810</u></u>	<u><u>694,658</u></u>
Capital and reserves			
Called up share capital	20	1,156	1,156
Profit and loss account	21	2,249,654	693,502
		<u><u>2,250,810</u></u>	<u><u>694,658</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28 September 2023.



D Yardley
Director

The notes on pages 13 to 29 form part of these financial statements.

WALK IN THE GATE LTD**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 28 FEBRUARY 2023**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 March 2021	1,156	553,469	554,625
Comprehensive income for the year			
Profit for the year	-	140,033	140,033
Total comprehensive income for the year	-	140,033	140,033
Total transactions with owners	-	-	-
At 1 March 2022	1,156	693,502	694,658
Comprehensive income for the year			
Profit for the year	-	1,556,152	1,556,152
Total comprehensive income for the year	-	1,556,152	1,556,152
Total transactions with owners	-	-	-
At 28 February 2023	1,156	2,249,654	2,250,810

The notes on pages 13 to 29 form part of these financial statements.

WALK IN THE GATE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2023

1. General information

Walk In The Gate Ltd is a private company limited by shares and incorporated in England and Wales. Its registered head office is located at 34 Bow Street, London, WC2E 7AU.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Ensco 1314 Limited as at 28 February 2023 and these financial statements may be obtained from Companies House.

WALK IN THE GATE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2023

2. Accounting policies (continued)

2.3 Going concern

The directors believe that it is appropriate to adopt the going concern basis of accounting in preparing the financial statements.

The directors of Ensco and the MSQ Partners Group of companies continue to prepare a detailed set of financial forecasts to assess the ability of the Group to meet its obligations going forwards. The directors have stress-tested the financial forecasts for reasonably possible alternative scenarios, including the uncertainty of the impact current macroeconomic challenges.

These show that the Group has sufficient cash reserves, along with headroom in financial facilities and covenants to support its activities based on both forecasted trading levels (against which the business is currently trading favourably) and in the event of a further significant and extended economic downturn in all markets. The funding is also held for a period of at least 12 months from the date of signing of the financial statements, implicit within this is that the Group has sufficient resources to pay all debts as they fall due for the next 12 months. As such, these financial statements have been prepared on a going concern basis.

2.4 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

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

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

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

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

WALK IN THE GATE LTD**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2023****2. Accounting policies (continued)****2.5 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Revenue is recognised for services provided to clients during the year relating to advertising, public relations, design, marketing and related services.

Revenue is recognised in proportion to the stage of completion of the contract at the reporting date. The stage of completion is assessed by measuring the fair value of the work performed during the year as a percentage of the total fair value of the work required to complete the project.

Retainer revenue is recognised evenly across the time period to which it relates. Media commission is recognised when the related job has been successfully completed. Costs which will be directly on charged to the client at no margin are recognised in Work in Progress and measured at the lower of cost and recoverable amount.

2.6 Operating leases: the company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard on 01 January 2015 to continue to be charged over the period to the first market rent review rather than the term of the lease.

WALK IN THE GATE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2023

2. Accounting policies (continued)

2.7 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of comprehensive income in the same period as the related expenditure.

2.8 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the company in independently administered funds.

2.9 Taxation

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

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

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

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

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

WALK IN THE GATE LTD**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2023****2. Accounting policies (continued)****2.10 Intangible assets****Goodwill**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Statement of comprehensive income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.11 Tangible fixed assets

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

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

Depreciation is provided on the following basis:

Leasehold improvements	- Over the term of the lease
Plant and machinery	- 33%
Fixtures and fittings	- 33%

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

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

2.12 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

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

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

WALK IN THE GATE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2023

2. Accounting policies (continued)

2.13 Work in progress

Work in progress comprises costs incurred on behalf of clients not invoiced at the year end, and is stated at the lower of cost and net realisable value.

2.14 Debtors

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

2.15 Cash and cash equivalents

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

2.16 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.17 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan. Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

WALK IN THE GATE LTD**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2023****2. Accounting policies (continued)****2.17 Financial instruments (continued)**

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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

Preparation of financial statements requires management to make significant judgements and estimates. The areas where these judgements and estimates have been made include;

Revenue recognition

At each reporting period, the company has a number of advertising, marketing and design projects in progress. Management review each project to determine the project's stage of completion and estimate the revenue that should be recognised. Management base this estimate on the best project information available.

Bad debt provision

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 15 for the net carrying amount of the debtors.

Accrued and deferred income

The company makes an estimate of the stage completion of creative service jobs at year end to determine the revenue to recognise in the period. When considering the stage of completion management will look at the time spent to date compared to the total time expected to be required to undertake the contract. Estimates of the total time required to undertake the job are made on a regular basis and subject to management review. These estimates may differ from the actual results due to a variety of factors such as efficiency of working, accuracy of assessment of progress to date and client decision making. When services have been delivered but not billed by the Balance sheet date, income is accrued. Where amounts are received in advance of delivery, income is deferred based on the percentage of services not yet completed. See note 15 for accrued income and note 17 for deferred income. See note 2.5 for the director's policy on recognising the types of revenue.

WALK IN THE GATE LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2023**4. Turnover**

Analysis of turnover by country of destination:

	2023 £	2022 £
United Kingdom	40,401,761	35,356,263
Rest of Europe	2,663,625	5,228,694
Rest of the world	4,246,420	-
	<u>47,311,806</u>	<u>40,584,957</u>

The whole of turnover is attributable to the Company's principal activity. Turnover is earned through rendering of services recognised over time through contracts with customers.

5. Other operating income

	2023 £	2022 £
Other operating income	<u>-</u>	<u>29,160</u>

6. Operating profit/(loss)

The operating profit/(loss) is stated after charging/(crediting):

	2023 £	2022 £
Exchange differences	(76,180)	51,012
Depreciation of owned tangible fixed assets	<u>34,447</u>	<u>30,156</u>

7. Auditor's remuneration

	2023 £	2022 £
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	<u>28,000</u>	<u>20,000</u>

Fees payable to the company's auditor and its associates in respect of:

Accounts production services	<u>-</u>	<u>1,000</u>
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WALK IN THE GATE LTD**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2023****8. Employees**

Staff costs were as follows:

	2023 £	2022 £
Wages and salaries	5,586,839	4,295,455
Social security costs	638,278	499,921
Cost of defined contribution scheme	401,013	364,896
	<u>6,626,130</u>	<u>5,160,272</u>

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

	2023 No.	2022 No.
Admin	9	8
Operational	81	70
	<u>90</u>	<u>78</u>

9. Directors' remuneration

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to Nil (2022: Nil).

WALK IN THE GATE LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2023

10. Taxation

	2023 £	2022 £
Current tax on profit/(loss) for the year	63,333	-
Total current tax	63,333	-
Deferred tax		
Origination and reversal of timing differences	(313,536)	(183,811)
Adjustments in respect of prior periods	10,357	-
Effect of tax rate change	57,872	(31,928)
Total deferred tax	(245,307)	(215,739)
Taxation on profit/(loss) on ordinary activities	(181,974)	(215,739)
Factors affecting tax charge for the year		
The tax assessed for the year is lower than (2022 - <i>lower than</i>) the standard rate of corporation tax in the UK of 19% (2022: 19%). The differences are explained below:		
	2023 £	2022 £
Profit/(loss) on ordinary activities before tax	1,374,178	(75,706)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022: 19%)	261,094	(14,384)
Effects of:		
Fixed asset differences	(2,162)	669
Expenses not deductible for tax purposes	57,965	36
Group relief surrendered	(212,943)	25,881
Deferred tax not recognised	(298,568)	(80,242)
Remeasurement of deferred tax for changes in tax rates	10,296	(147,699)
Adjustments in respect of prior periods	10,357	
Other tax adjs, reliefs and transfers	(8,013)	
Total tax (credit) for the year/period	(181,974)	(215,739)

WALK IN THE GATE LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2023**Factors that may affect future tax charges**

In the UK Budget on 3 March 2022, the Chancellor of the Exchequer announced an increase in the UK corporation tax rate from 19% to 25%, which is due to be effective from 1 April 2023. The deferred tax balances have been remeasured to reflect this change at year end.

11. Intangible assets

	Software £	Goodwill £	Total £
Cost			
At 1 March 2022	45,284	1	45,285
Impaired during the year	-	(1)	(1)
At 28 February 2023	<u>45,284</u>	<u>-</u>	<u>45,284</u>
Amortisation			
At 1 March 2022	45,284	-	45,284
At 28 February 2023	<u>45,284</u>	<u>-</u>	<u>45,284</u>
Net book value			
At 28 February 2023	<u>-</u>	<u>-</u>	<u>-</u>
At 28 February 2022	<u>-</u>	<u>1</u>	<u>1</u>

Amortisation on intangible assets is charged to admin expenses.

WALK IN THE GATE LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2023

12. Tangible fixed assets

	Leasehold improvements £	Plant and machinery £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 March 2022	88,226	359,175	13,779	461,180
Additions	302	49,520	-	49,822
At 28 February 2023	<u>88,528</u>	<u>408,695</u>	<u>13,779</u>	<u>511,002</u>
Depreciation				
At 1 March 2022	88,226	312,769	13,779	414,774
Charge for the year on owned assets	-	34,447	-	34,447
At 28 February 2023	<u>88,226</u>	<u>347,216</u>	<u>13,779</u>	<u>449,221</u>
Net book value				
At 28 February 2023	<u>302</u>	<u>61,479</u>	<u>-</u>	<u>61,781</u>
At 28 February 2022	<u>-</u>	<u>46,406</u>	<u>-</u>	<u>46,406</u>

WALK IN THE GATE LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2023

13. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 March 2022	4,296,898
At 28 February 2023	<u>4,296,898</u>
Net book value	
At 28 February 2023	<u>4,296,898</u>
At 28 February 2022	<u>4,296,898</u>
Subsidiary undertaking	

The following was a subsidiary undertaking of the company:

Name	Registered office	Class of shares	Holding
Brave Spark Media Ltd	34 Bow Street, London, WC2E 7AU	Ordinary	100 %

14. Work in progress

	2023 £	2022 £
Work in progress	<u>47,127</u>	<u>31,462</u>

The full work in progress balance comprises third party costs incurred on behalf of clients not yet invoiced at the period end. Management assessed that the full amount was recoverable.

WALK IN THE GATE LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2023

15. Debtors

	2023 £	2022 £
Trade debtors	5,247,167	4,832,428
Amounts owed by group undertakings	5,440,473	3,324,650
Prepayments and accrued income	1,055,183	5,534,331
Deferred taxation	562,150	316,843
	<u>12,304,973</u>	<u>14,008,252</u>

Amounts owed by group companies are repayable on demand and are non-interest bearing.

16. Cash and cash equivalents

	2023 £	2022 £
Cash at bank and in hand	<u>2,598,905</u>	<u>2,858,131</u>

17. Creditors: Amounts falling due within one year

	2023 £	2022 £
Deferred consideration	1,064,000	812,119
Trade creditors	4,221,393	1,271,666
Amounts owed to group undertakings	1,588,376	1,767,972
Other taxation and social security	583,345	575,073
Other creditors	203,699	113,674
Accruals and deferred income	8,457,157	14,281,988
	<u>16,117,970</u>	<u>18,822,492</u>

Amounts owed to group undertaking are repayable on demand and are non-interest bearing.

18. Creditors: Amounts falling due after more than one year

	2023 £	2022 £
Deferred consideration	<u>940,904</u>	<u>1,724,000</u>

WALK IN THE GATE LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2023

19. Deferred taxation

	2023 £	2022 £
Opening balance	316,843	-
Credited to the profit or loss	245,307	215,739
Transferred	-	101,104
	<u>562,150</u>	<u>316,843</u>

The deferred tax asset is made up as follows:

	2023 £	2022 £
Fixed asset temporary differences	55,200	67,422
Short term timing differences	10,148	8,080
Losses and other deductions	496,802	241,341
	<u>562,150</u>	<u>316,843</u>

20. Share capital

	2023 £	2022 £
Allotted, called up and fully paid		
36,300 (2022: 36,300) Ordinary A shares of £0.01 each	363	363
36,300 (2022: 36,300) Ordinary B shares of £0.01 each	363	363
31,900 (2022: 31,900) Ordinary C shares of £0.01 each	319	319
5,500 (2022: 5,500) Ordinary D shares of £0.01 each	55	55
5,500 (2022: 5,500) Ordinary E shares of £0.01 each	55	55
	<u>1,156</u>	<u>1,156</u>

The shares have attached to them full voting, dividend and capital distribution rights (including on winding up), and do not confer any rights of redemption. Each share is entitled to one vote in any circumstances.

21. Reserves

Profit and loss account

Includes all current & prior periods retained profits & losses.

WALK IN THE GATE LTD**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2023****22. Pension commitments**

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £401,013 (2022: £364,896). Contributions totalling £27,254 (2022: £27,254) were payable to the fund at the Balance sheet date and are included in creditors.

23. Contingent liabilities

During the year, there was a fixed and floating charge over the assets of the company in relation to the group banking arrangements entered into by Ensco 1314 Limited. The company, along with certain other group companies, had entered into cross guarantee and indemnity arrangements with HSBC.

On 6 June 2023, the above-mentioned banking arrangements were settled in full as part of a Group Refinance transaction. A new group banking facility was entered into with a consortium of banks (HSBC UK Bank plc, Siemens Bank GmbH (London branch), Barclays Bank plc and Investec Bank plc), and similar cross-guarantee and indemnity arrangements were put in place.

There were no other contingent liabilities at 28 February 2023 or 28 February 2022.

24. Related party transactions

The company has taken advantage of the exemption available in FRS 102 from disclosing transactions with wholly owned members of the group on the grounds that it is a wholly owned subsidiary and its results are consolidated within Ensco 1314 Limited and financial statements are publicly available.

25. Controlling party

The immediate parent undertaking is Agenda 21 Digital Holding Limited.

The ultimate parent undertaking at year end was Ensco 1314 Limited, whose registered address is 34 Bow Street, London, WC2E 7AU. Up to 6 June 2023, Ensco 1314 Limited's share capital was primarily held by management within the group and LDC (Managers) Ltd. Management maintained a majority equity stake with LDC (Managers) Ltd acquiring a significant minority equity stake. As a result, the directors do not consider there to be an individual controlling party.

The largest and smallest group of undertakings for which consolidated accounts have been drawn up is that headed by Ensco 1314 Limited. Copies of the group accounts can be obtained from Companies House.

WALK IN THE GATE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2023

25. Post balance sheet events

The company is a subsidiary of MSQ Partners Limited and its ultimate parent company at year end was Ensco 1314 Limited ('Ensco'). On 6 June 2023, Ensco was purchased by Marvel Bidco Limited ('Marvel Bidco'), a company incorporated for the purpose of acquiring the MSQ Group. The ultimate parent of Marvel Bidco is Marvel Topco Limited ('Marvel Topco'). The majority investors in the group are funds controlled by One Equity Partners ('OEP'), a leading US-based mid-market Private Equity Fund. Our previous majority shareholders LDC Private Equity ('LDC') retain a significant minority stake, as do MSQ's management.

Along with the direct investment from these funds, Marvel Bidco entered into a funding arrangement with a consortium of banks (HSBC UK Bank plc, Siemens Bank GmbH (London branch), Barclays Bank plc and Investec Bank plc) which saw it draw down new term loan facilities and secure a new working capital facility. The existing Group debt facilities were paid down as part of the overall transaction.

The resulting position sees OEP's funds owning 59.6% and LDC's funds owning 15.6% of the equity of Marvel Topco, with the remaining 24.8% sitting with management and non-executive Directors. OEP's funds also control 66.4% of the voting rights of Marvel Topco. LDC's funds control 17.4% of the voting rights, and the remaining 16.2% is controlled by management and non-executive Directors.