

M&C Saatchi PLC

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Saatchi lurches lower after FCA launches accounting probe

M&C Saatchi PLC (LON:SAA) shares slumped on Friday after the Financial Conduct Authority (FCA) kicked off an investigation into the advertising agency.

The FCA's probe comes after the accounting adjustments announced by the company in December, when the company revealed an £11.6mln black hole in its accounts.

READ: M&C Saatchi stumbles as co-founder leads board room exodus
Four directors, including co-founder Maurice Saatchi, quit earlier this month after the company reneged on its promise to hold an independent investigation into the accounting crisis.

Three non-executives, Lorna Tilbian, Michael Dobbs and Michael Peat, claimed in a letter that they had not been allowed to fulfil their roles properly, saying: "Our recommendations have repeatedly not been accepted".

The trio, a former financial analyst, the author of *A House of Cards* and Prince Charles's former private secretary, claimed chief executive David Kershaw and chairman Jeremy Sinclair had backed out on their promise to establish an independent committee overseen by the non-executives.

This followed a trading update in December where the company revealed an £11.6mln black hole in its accounts, which had mushroomed from £6.4mln in August, when the firm revealed it would be taking an exceptional charge relating to incorrect statements on revenues and costs.

The company said on Friday that it would cooperate fully with the FCA.

Its shares fell more than 9% to 100.14p by mid-morning.

Price: 64.6

Market Cap: £74.34 m

1 Year Share Price Graph



Share Information

Code: SAA

Listing: AIM

52 week High Low
383 25.05

Sector: Media

Website: www.mcsaatchi.com

Company Synopsis:

M&C Saatchi PLC is a company engaged in advertising and marketing services. The Company's subsidiaries include M&C Saatchi (UK) Ltd, LIDA Ltd, Clear Ideas Ltd and M&C Saatchi Agency Pty Ltd. In April 2008, the Company acquired the remaining 5.5% interest in Walker Media Holdings Limited. M&C Saatchi is traded in the ISDX Exchange HERE.

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