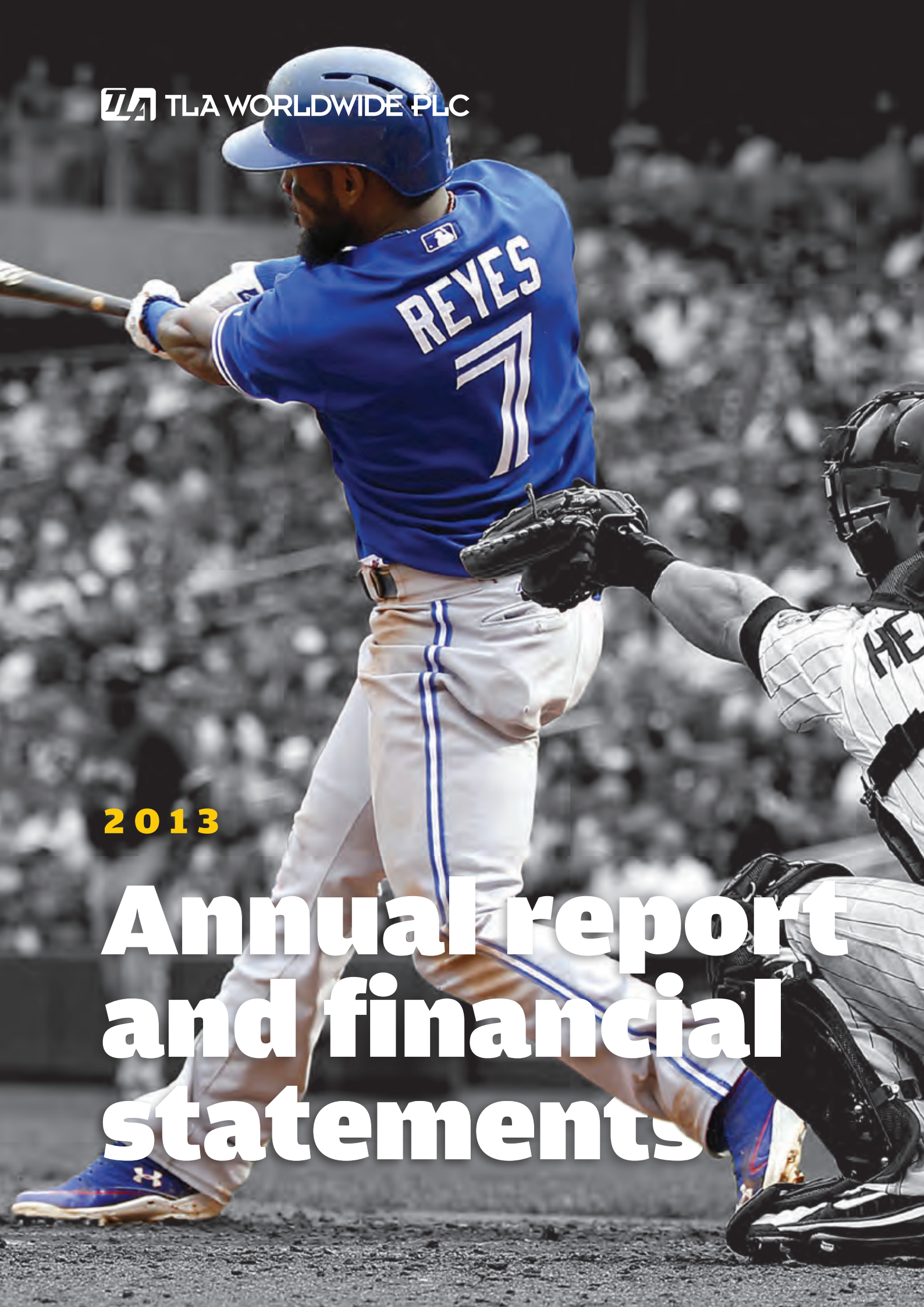
TLA WORLDWIDE PLC



2013

Annual report and financial statements

Front cover: Jose Reyes — Shortstop, Toronto Blue Jays

Annual Report and financial statements
year ended 31 December 2013

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TLA WORLDWIDE PLC

2013

Annual report and financial statements

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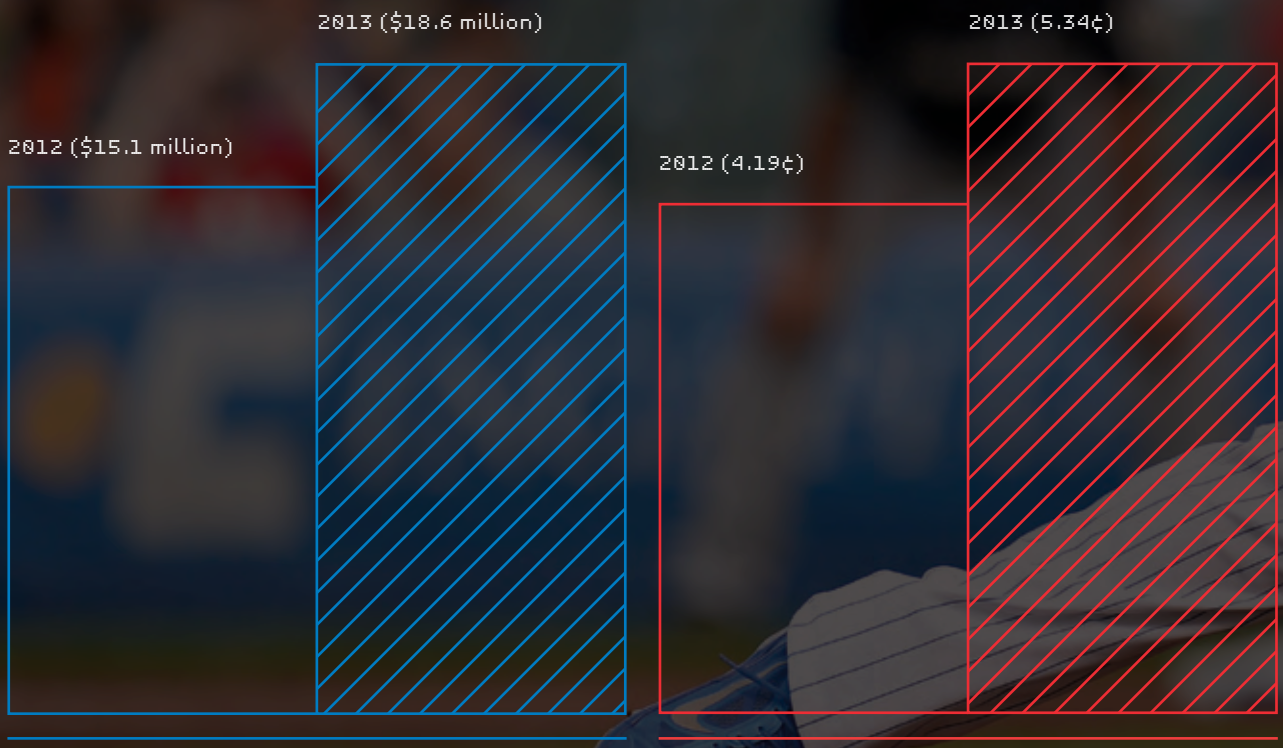
Financial highlights

Reported revenue increased by 23% to $18.6 million

(2012: $15.1 million)

Headline EPS[3] growth of 27% to 5.34 cents

(2012: 4.19 cents)



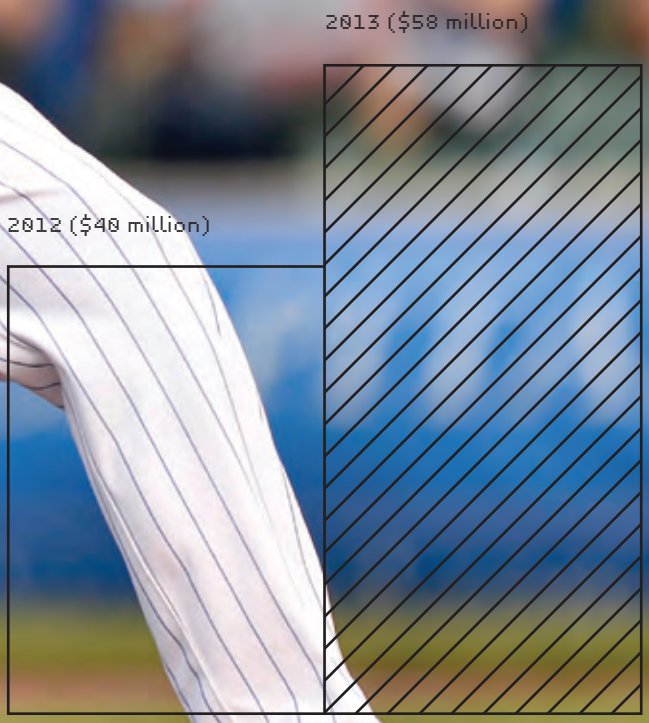
Reported revenue increased by 23% to $18.6 million (2012: $15.1 million) reflecting continued organic growth (5% for the year) and the first full year contribution from Peter E Greenberg & Assoc. ("PEG")

Edwin Jackson

Starting pitcher, Chicago Cubs

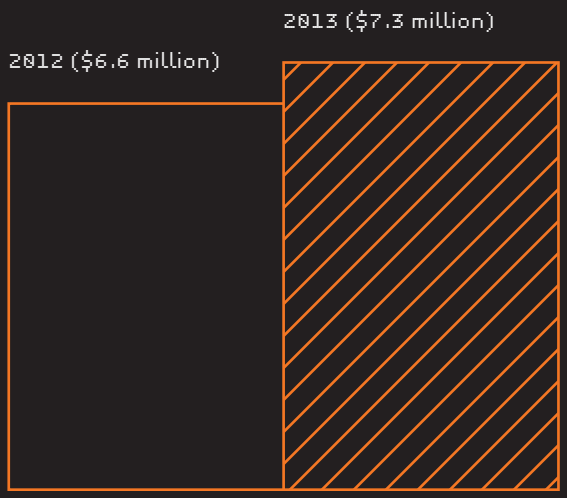
Contracted revenues increased by 45% to $58 million

(2012: $40 million)



Total long term contracted revenues increased by 45% to $58 million (2012: $40 million) providing excellent forward revenue visibility

Headline EBITDA[1] increased by 11% to $7.3 million (2012: $6.6 million)



Cash balances at year end amounted to $4.4 million

(2012: $4.1 million)

Headline profit before tax[2] increased by 14% to $6.8 million

(2012: $6.0 million)

Angel Pagan

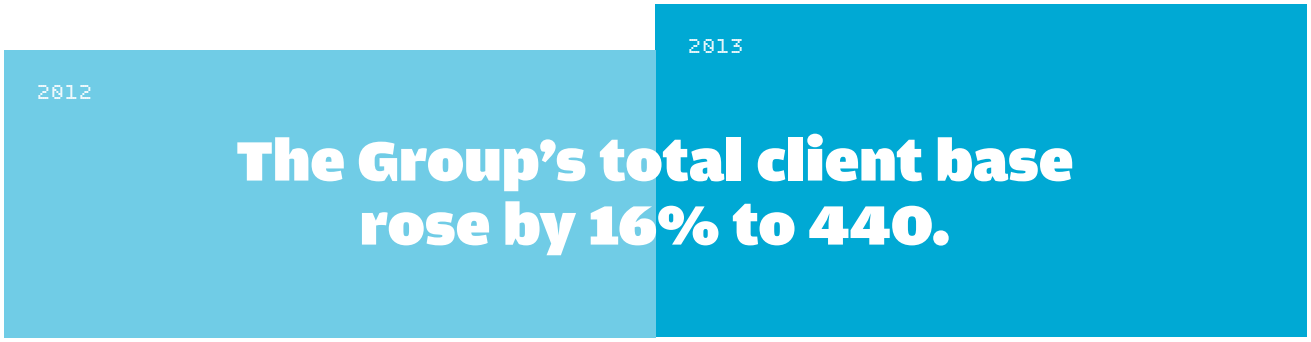
Outfielder, San Francisco Giants

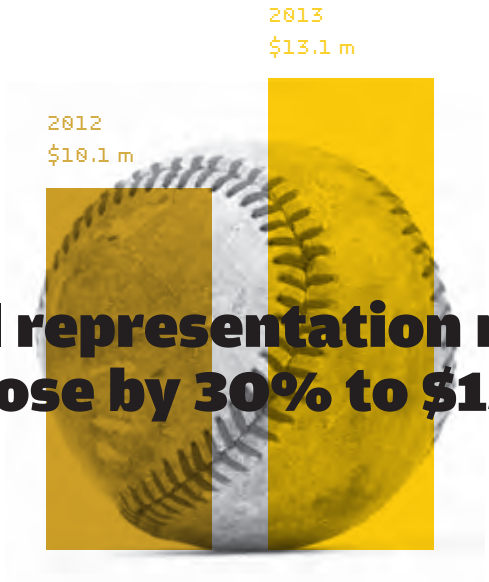
Final dividend raised by 17% to 0.7 pence

(2012: 0.6 pence)

1. Operating profit adjusted to add back depreciation, amortisation of acquired intangible assets and any acquisition related charges, share-based payment charges and exceptional items excluding the unrecognised revenue of $2.24 million and the EBIT of $1.4 million
2. Headline EBITDA after bank interest and depreciation
3. Headline profit per share is defined as adjusted profit for the period divided by the weighted average number of ordinary shares in issue during the period. Headline profit for the period is defined as loss for the period adjusted to add back amortisation of acquired intangible assets and any other acquisition related charges, share based payment charges, fair value movement on financial derivatives and exceptional items.

Operational highlights





Baseball representation reported revenues rose by 30% to $13.1 million.

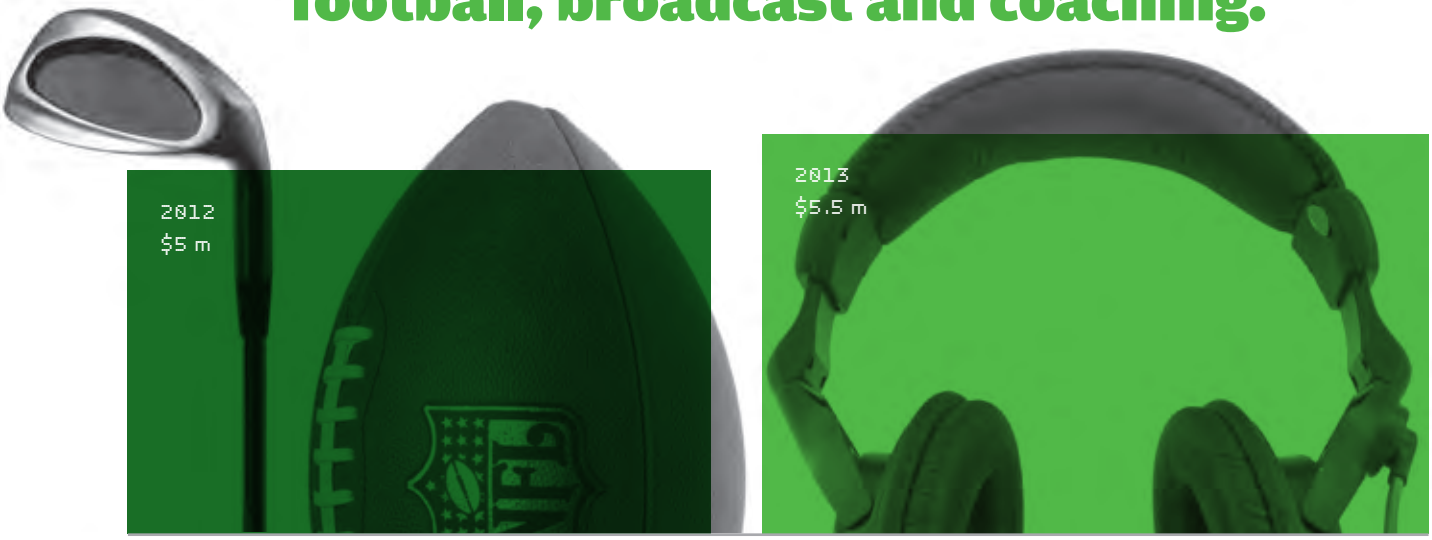
Achieved number one position in professional baseball by total player roster.

Reggie Bush

Running back, Detroit Lions

Patrick Reed
Professional Golfer,
3 PGA tour wins,
age 23

Sports marketing reported revenue increased by **10% to $5.5 million,** driven by good client growth in golf, American football, broadcast and coaching.



12 PGA TOUR players on roster with four PGA TOUR wins in early 2014.

Launched an events business, with proprietary IP, which will deliver an annuity income from events created, from 2014 onwards with a strong pipeline.

Launched a media and TV rights consultancy, with the NHL as the first client.

Strategic report

Chairman's statement

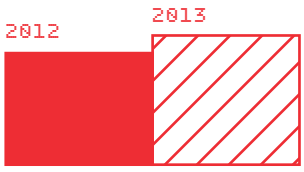
BART CAMPBELL

Chairman,
29 April 2014

BASEBALL SECTOR

Number 1 rank in total clients

Total overall client base of TLA increased by 16% to 440



We are pleased to report on good operational and financial performance for 2013.

The results reflect a growing momentum across the Group, driven by organic growth as well as the acquisition of PEG, the New York City based baseball practice, in late 2012. Overall trading conditions in North American baseball and sports marketing, the mainstay of the Group's business, continue to be positive.

These factors enabled the Group to consolidate on its strong position in the baseball sector where it climbed to number 1 rank in total clients, increasing the total client roster of professional baseball players to 249, up from 173 in the previous year.

The total overall client base of TLA increased by 16% to 440 compared with 2012 and the Group's activities cover a variety of major international sports including baseball, golf, basketball, American football and Olympic athletes.

The Group's reported results do not include an item of revenue within our baseball division, invoiced in December 2013, as the amounts have not yet been recovered from the client. In March 2014 the Group commenced proceedings to recover fees of $1.6 million it believes are due. Given the uncertainty around the eventual timing and outcome of that process, no revenue has been included in the 2013 results. Inclusion of these amounts in the year end 31 December 2013, assuming a full recovery, would have resulted in Headline EBITDA of $8.7 million and revenue of $20.2 million.

Total long-term contracted revenues rose 45% to $58 million (2012: $41 million) providing excellent forward revenue visibility. Both the US baseball market and the wider sports marketing industry globally have continued to enjoy excellent long-term fundamentals. This provided a positive backdrop for the Group last year and supports the Group's future prospects.

Market opportunity and strategy

According to industry estimates, the overall US sports market is worth approximately $48 billion per annum, with the key segments of sponsorship and media rights worth over $9 billion and $12 billion per annum respectively. These segments are forecast to grow faster than the overall US sports market at 6.3% and 7.8% per annum against growth of 4.7% for the overall market.

TOTAL MLB REVENUES

$4.5 billion in 2010 to $8.3 billion in 2013

Baseball, which currently accounts for 70% of our revenue, is a huge industry and highly profitable at MLB club level. It has historically proven to be recession resistant, is well regulated with a defined salary and career structure for its players, and has also grown steadily. Total MLB revenues have increased from approximately $4.5 billion in 2010 to $8.3 billion in 2013, reflecting rising gate receipts and national, international and local media rights fees.

To put the size of the baseball market into context, the aggregate MLB revenues amounted to more than $30 billion over the past four years compared with $13.5 billion for the Premier League and $8 billion for the four year Olympic cycle to London 2012. In addition, the agreement over a new media broadcasting rights deal from 2014 will significantly increase the revenue to MLB and MLB players over the next eight years.

TLA's strategy remains to expand our activities in a range of major sports in North America and other key regions where the core sports at the heart of our business have value. While our focus will be on organic growth, the Group will also look for acquisition opportunities that allow us to consolidate and widen our position within our target markets.

People

In order to support the Group's expansion, we continue to invest in staff, including several senior level hires within the operating businesses such as a head of media consulting. We also appointed Don Malter as our new Chief Financial Officer on 17 September 2013.

Outlook

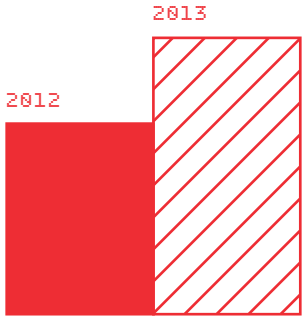
Following significant investment in people and resources, TLA has established a solid foundation to implement the Group's growth strategy and take advantage of excellent sports market fundamentals. We will continue to seek selective talent and business acquisitions to enhance our service offering and geographic reach, to ensure we service our growing client base.

Excellent progress has also been made in broadening the revenue base through the launch of new proprietary sports events, which will make a small contribution from this year and are expected to grow over the long term.

We got into our stride in 2013, resulting in strong revenue growth, achieving the leading position in baseball representation and a rapidly expanding client list and sports marketing business. The Group's first quarter revenues are up on the same period last year and the trading momentum remains encouraging across all activities. The outlook for 2014 is positive given the new long-term media and broadcasting rights in baseball and our developing events business.

The business of sports is currently benefitting from excellent long-term fundamentals. With good trading momentum and the US baseball industry set to reap higher media rights revenues from this year, we look to deliver solid growth for the year, underpinned by excellent forward revenue visibility. As a result, the Board looks to the future with confidence. This has enabled the Group to continue our progressive dividend policy, with a 17% increase in the dividend per share in 2014.

Total long-term contracted revenues rose 45% to $58 million



The Board looks to the future with confidence with a 17% increase in the dividend per share in 2014

Jerry Kill
Head football coach,
University of Minnesota

Chief executive's review

The Group's two divisions made good progress in 2013 with both increasing their revenues and operating profits compared with 2012.

MICHAEL PRINCIPE

Group Chief Executive,
29 April 2014

The move from our multiple offices in New York City into a single location at Times Square in June 2013 has completed the integration of the business.

Baseball representation

The baseball representation business, which derives revenues through long term relationships with many established and young players, had a solid year. Revenues increased by 30% to $13.1 million in 2013 (2012: $10.1 million), reflecting like for like organic growth of 2% and the first full year contribution from PEG. Based in New York City, PEG is particularly strong in representing Spanish-speaking players of Latin American origin.

A total of $150 million worth of contracts were signed on behalf of clients during the 2013 off-season (2012: $210 million). This was lower than 2012 due to fewer contracts requiring negotiation for 2013. 76 new baseball players were added to the client list in 2013 bringing the total baseball client list to 249 (2012: 173)

The roster of potential new stars also continued to grow with 190 Minor League Baseball clients (2012: 117) of which 19 (2012: 18) were called up to major league teams thereby starting their initial three year service period. This will enable us to negotiate future contracts on their behalf at higher market related salaries on which TLA will start to earn fees in the coming years.

Looking ahead, a new eight-year TV rights contract for MLB commences with the 2014 baseball season, which will substantially increase MLB revenue. The agreement, worth $12.4 billion over eight years to MLB, represents an increase of more than 100% in annual rights fees to MLB compared with previous years. As a result, many player contracts have been structured to match this revenue profile, with lower salaries in 2013 and then increases in future years. This will clearly benefit our clients and therefore the Group in 2014 and beyond.

As set out in the Group's half-year results, the Draft (the mechanism for appropriating young players to teams) did not produce the revenues that we expected. This was caused by

A total of $150 million worth of contracts

8-YEAR MLB TV RIGHTS CONTRACT

The agreement, worth $12.4 billion over eight years to MLB, represents an increase of more than 100% in annual rights fees to MLB compared with previous years

injuries to players who consequently deferred being drafted. We expect these players will return to the Draft with TLA in the future.

Sports marketing

The Sports Marketing division continued to grow with revenues increasing 10% to $5.5 million (2012: $5.0 million). We now have 12 PGA clients (2012:13), including some of Golf's hottest young talents evidenced by two Tour wins and 25 top 10 PGA TOUR finishes in 2013, with a further three wins in 2014.

PGA TOUR revenues rose in 2012 to a record high of $1.1 billion, highlighted by a nine-year television deal, which commenced in 2011 and averages $800 million per annum. These markets are key drivers for the growth of TLA's Sports Marketing Division as they underpin marketing spend and increase our ability to secure sponsorship opportunities for our clients.

Talent marketing continued to perform well in commercially promoting its clients, securing sponsorship deals for clients with such companies as GEICO, Under Armour, Adidas and Web.com, as well as advising Izod and Samsung with their golf brand activation at the Masters and the US Open. We also secured our first National Basketball Association client, Trey Burke.

Coaching and broadcasting continues to grow. We now have the leading NCAA basketball coaching business, increasing our client base by 15% and increasing our representation of coaches with teams in the 2013 NCAA Champions Tournament by 38%. In broadcasting we have grown our representation by 17.6% to 40 clients (2012: 34), who include Jay Onrait and Dan O'Toole, the new hosts of Fox Sports 1.

We have added new service offerings to the Sports Marketing business by internally developing our ability to advise rights holders and teams on their media value rights. We expect to see both the events and the media rights consulting businesses contribute further during 2014 and provide growth to TLA in the future.

At the end of 2013 we opened an office in Melbourne to pursue the strong sports marketing and event opportunities that exist in the Australasian market. The opportunity in this market is borne out by the fact that the first MLB games of the 2014 season were played in Sydney in late March 2014, with other opportunities of a similar nature, currently live and moving to contract.

PGA Tour revenues rose to a record high of $1.1 billion

We expect to see both the events and the media rights consulting businesses contribute further during 2014 and provide growth to TLA in the future

New revenue streams

We created and delivered our first event around the MLB All-Star baseball game, which took place in July 2013, and followed this up with a similar event around NFL's Super Bowl in January 2014. We also created a larger two-day event called "Baseball City", which took place in Phoenix in March 2014 and was timed to align with fans that attended baseball spring training. The event was successful and made a small profit.

Since the year-end, we have been appointed by the National Hockey League (NHL), to promote and sell its digital content in the Australian market.

New office in Melbourne

To pursue the strong sports marketing and event opportunities that exist in the Australasian market.

Baseball revenues in 2013 increased by 30% to $13.1 million

Reflecting like for like organic growth of 2% and the first full year contribution from PEG. Based in New York City.

Troy Aikman

NFL broadcasting

Chief finanical officer's review

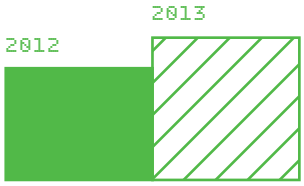
DONALD MALTER

Chief Financial Officer,
29 April 2014

Statutory operating profit of $1.4 million

(2012: $1.2 million) and statutory profit before tax $0.05 million (2012: loss $0.08 million) respectively

Headline EPS growth of 27% to 5.34 cents



This review covers the year ended 31 December 2013. For this period the Group reported a statutory profit before tax of $0.1 million (2012: loss of $0.1 million). The performance at the operating level, before interest, tax, depreciation, amortisation and exceptional charges showed an Headline EBITDA of $7.3 million (2012: $6.6 million).

Headline results	2013 ($000)	2012 ($000)	% change
Revenue	18,605	15,082	23
Headline EBITDA	**7,269**	**6,566**	**11**
Operating profit	1,434	1,204	19
Headline EBITDA margin	39.1%	43.5%	(10)
Headline Earnings Per Share (cents)[1]	5.34	4.19	27

- Cash balances as at 31 December 2013 of $4.4 million (2012: $4.1 million) and net debt of $5.8 million (2012: $3.9m).
- The Group's reported results do not include an item of revenue within our baseball division, invoiced in December 2013, as the amounts have not yet been recovered from the client. In March 2014 the Group commenced proceedings to recover fees of $1.6 million it believes are due, triggered by services provided to a client in the year ended 31 December 2013 and prior years. In April 2014 the case was assigned for arbitration which is the normal route for fee recovery in the industry. Given the uncertainty around the eventual timing and outcome of that process, no revenue has been included in the 2013 results, although costs of the action to date have been expensed as incurred. The finally determined income will therefore be reflected as and when the cash is received. Inclusion of these amounts in the year end 31 December 2013, assuming a full recovery through the arbitration process or otherwise, would have resulted in Headline EBITDA of $8.7 million and revenue of $20.2 million.

1. Headline profit per share is defined as adjusted profit for the period divided by the weighted average number of ordinary shares in issue during the period. Headline profit for the period is defined as loss for the period adjusted to add back amortisation of acquired intangible assets and any other acquisition related charges, share based payment charges, fair value movement on financial derivatives and exceptional items. A further description is provided in note 3 to the accounts.

Reported Results

On a statutory basis the operating profit was $1.43 million (2012: profit of $1.20 million) and the profit before tax was $0.05 million (2012: loss $0.08 million).

	2013 ($000)	2012 ($000)
Revenue	18,605	15,082
Operating profit from operations	1,434	1,204
Statutory profit/(loss) before tax	50	(79)
Statutory profit/(loss) Per Share (cents)	0.77	(1.19)

TLA segments its operations into baseball representation and sports marketing as follows:

YEAR ENDED 31 DECEMBER 2013	Baseball representation ($000)	Sports marketing ($000)	Unallocated ($000)	Total ($000)
Revenues	13,081	5,524	-	18,605
Cost of sales	-	(633)	-	(633)
Gross profit	**13,081**	**4,891**	**-**	**17,972**
Operating expenses excluding depreciation, amortisation and exceptional items	(6,739)	(2,359)	(1,605)	(10,703)
Operating profit before depreciation, amortisation and exceptional items.	**6,342**	**2,532**	**(1,605)**	**7,269**
Amortisation of intangibles arising on acquisition	(3,759)	(1,261)	-	(5,020)
Deprecation	(11)	(4)	(18)	(33)
Exceptional items and acquisition related costs	-	-	(782)	(782)
Operating profit/ (loss)	**2,572**	**1,267**	**(2,405)**	**1,434**
Finance costs				(1,384)
Profit before tax				**50**
Tax				923
Profit for the period				**973**

YEAR ENDED 31 DECEMBER 2012	Baseball representation ($000)	Sports marketing ($000)	Unallocated ($000)	Total ($000)
Revenues	10,065	5,017	-	15,082
Cost of sales	(354)	(231)	-	(585)
Gross profit	**9,711**	**4,786**	**-**	**14,497**
Operating expenses excluding depreciation, amortisation and exceptional items	(4,246)	(2,262)	(1,423)	(7,931)
Operating profit before depreciation, amortisation and exceptional items.	**5,465**	**2,524**	**(1,423)**	**6,566**
Amortisation of intangibles arising on acquisition	(3,081)	(1,323)	-	(4,404)
Deprecation	(5)	(1)	(2)	(8)
Exceptional items and acquisition related costs	-	-	(950)	(950)
Operating profit/ (loss)	**2,379**	**1,200**	**(2,375)**	**1,204**
Finance costs				(1,283)
Loss before tax				**(79)**
Tax				(1,117)
Loss for the period				**(1,196)**

Headline Divisional Performance

BASEBALL REPRESENTATION	2013 ($000)	2012 ($000)	% Change
Revenue	13,081	10,065	30
Headline EBITDA	6,342	5,465	16
Headline EBITDA Margin	**48.5%**	**54.3%**	**(11)**
Operating Profit	2,572	2,379	8

Trading for the year ended 31 December 2013 saw $13.1 million of revenue, a headline EBITDA of $6.3 million and a statutory operating profit of $2.6 million after accounting for the amortisation of acquired intangibles. The 2013 period includes a full year contribution from PEG, compared to 60 days in 2012 which produced a $0.5 million loss.

SPORTS MARKETING	2013 ($000)	2012 ($000)	% Change
Revenue	5,524	5,017	10
Headline EBITDA	2,532	2,524	-
Headline EBITDA Margin	**45.8%**	**50.3%**	**(9)**
Operating Profit	1,267	1,200	6

Trading for the year ended 31 December 2013 showed revenue of $5.5 million, Headline EBITDA of $2.5 million and operating profit of $1.3 million. The reduction in EBITDA margin reflects investment in additional people to establish the events and media businesses within the division.

Cash flow and Banking Arrangements

Cash generated from operating activities for the year ended 31 December 2013 was $3.3 million (December 2012: $2.4 million). Cash as at 31 December 2013 was $4.4 million (2012: $4.1 million) and net debt was $6.0 million (2011: $3.9m).

The Group has an outstanding term loan of $7.0 million and a revolver facility of $7.0 million of which $3.4 million was drawn as at 31 December 2013. This was a new $15 million banking facility arranged in January 2013 with SunTrust Bank for a term of five years to January 2018. We have reduced the interest margin by 1%, the full benefit of which will not be seen until our hedge against future interest rate increases unwinds.

Cash earn-outs payments due for 2014 total $2.99 million. $1.03 million has so far been paid. The balance will be paid the first half of 2014.

Dividends

The board proposes a final dividend of 0.7 pence per share (2012: 0.6 pence) payable on 11 July 2014 to shareholders on the register at 30 May 2014. The ex-dividend date is 28 May 2014.

Principal Risks and Uncertainties

The management of the Group and the execution of the Group's strategies are subject to a number of risks. The key business risk affecting the Group are shown below:

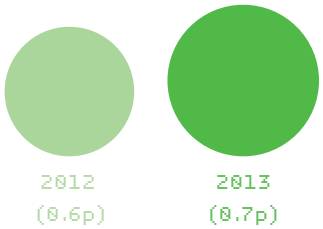
RISK MANAGEMENT

The significant risks that the Group faces have been considered and policies have been implemented to best deal with each risk. The four most significant risks are considered to be liquidity, finance cost risk, customer relationship risk and management risk. The Group is significantly based in the US and reports in US dollars and so direct exposure to exchange risk is considered to be minimal.

LIQUIDITY RISK

The year-end net debt was $6.0 million (2012: $3.9 million) which consisted of $7.0 million of interest bearing loans and a $3.4 million revolver (2012: $8.0 million of interest bearing loans). Both of these facilities do not mature until January 2018. The Group revolving facility is for a total of $7.0 million and the Group had cash of $4.4 million as at the year-end. The Group's cash and net debt position is continually monitored.

The board proposes a final dividend of 0.7 pence per share, a 17% increase from 2012



FINANCE RISK COST

The Group pays finance costs on its bank facilities. These facilities finance costs are a variable cost linked to LIBOR plus a margin. Interest rates are managed through an interest rate swap. The average finance cost on the facilities for the Group in 2013 was 4.5% (2012: 5.5%)

CUSTOMER RELATIONSHIPS RISK

The Group has commercial relationships with 440 clients. Attrition rates are low and relationships are strong. In the case of baseball contracts, any revenues negotiated by the Group survive the termination of relationship with a client. No client accounts for more than 6% of revenue (2012: 8%).

MANAGEMENT

It's likely that changes to members of the senior management team would impact on the Group's ability to perform to the expectations within its strategy. The Board ensures that the management team is appropriately rewarded for its efforts and that succession planning is considered. In the case of vendor management they are incentivised through the ability to achieve future earn out payments.

Fred Hoiberg
Head men's basketball coach,
Iowa State University

Key Performance Indicators (KPIs)

The Group manages its operational performance using a number of KPIs. The most important of these are:

KPI	Year ended 31 December 2013	Year ended 31 December 2012
Headline EBITDA	$7.3 million	$6.6 million
Headline EBITDA Margin	39%	44%
Profit/(loss) before tax	$0.05 million	$(0.08) million
Contracted revenue (approximately)	$58 million	$41 million
Number of net new client wins	67	52
Debtor collection days	49 days	56 days

Ryan Tannehill
Quarterback, Miami Dolphins

Jim Furyk
Professional golfer,
16 PGA Tour wins

Governance

Board of directors

Bart Campbell
Non Executive Chairman (43)

From 2009 until May 2013, Bart has been the Group COO of Chime Communications plc ("Chime") sports division, called CSM Sport & Entertainment which has 670+ staff, in 15 offices across 13 countries and is the fourth largest sports marketing agency globally. He was a member of the executive board of Chime. Prior to that he was Chief Executive of the sports marketing and management business Essentially Group plc ("Essentially") which is part of Chime today, starting this role in 2006.

During his tenure as CEO of Essentially, Bart grew the business from 20 to 120 professionals with offices in London, Australia, South Africa, New Zealand, India and Japan. He is a former practicing sports and commercial lawyer, with a BA and LLB from Otago University in his native New Zealand. Bart was admitted to the bar in 1994 before going on to complete a Masters in Commercial Law (Hons) from Auckland University in 1999. He successfully completed the Advanced Management Program at Harvard Business School in 2010.

Donald Malter
Chief Financial Officer (48) (appointed 17 September 2013)

Donald was previously CFO (North America) for BMG Chrysalis since 2010, a joint venture between private equity firm, KKR and European media conglomerate, Bertelsmann. Prior to this he was CFO (North America) for Dimensional Music Publishing, LLC, a private equity backed music publishing house for 5 years. Don is an experienced financial veteran having worked in the media and entertainment industry for over 20 years.

Michael Principe
Chief Executive (43)

As the Chief Executive of TLA, Mike brings nearly 15 years of experience in sports and entertainment industry to his position. Most recently, Mike served as the managing director of Blue Entertainment Sports Television ("BEST"), an industry leader in sports marketing, management and production, which was recently acquired by Lagardère Unlimited, where he also served as the Chief Operating Officer for its parent company, Blue Equity LLC.

Prior to joining BEST, he held various executive positions with SFX Sports Group Inc. ("SFX"), including serving as a member of its Executive Committee and that of Executive Vice President and as General Counsel. As one of the most accomplished executives and dealmakers in sports, Mike has participated in over 35 transactions with an aggregate value in excess of $600 million. He is a member of the New York Bar and the Sports Lawyers Association. He has been named to the Sports Business Journal's prestigious "Forty Under 40" list.

Greg Genske
Executive Director (42)

Greg became CEO of Legacy in 2004. He has served as lead negotiator for the contracts signed by Legacy clients dating back to 2004. Greg has advised amateur athletes in the MLB and NFL drafts, including the first pick overall in the 2004 and 2008 MLB drafts. He has been named in the Sports Business Journal's prestigious "Forty Under 40" list. Prior to entering the sports industry, he practised with two leading national law firms as a trial attorney. Greg holds a bachelor's degree from Pepperdine University and J.D. from Boalt Hall School of Law at University of California at Berkeley.

Keith Sadler
Senior Independent Non-Executive Director (55)

Keith is Chief Financial Officer of Dods (Group) PLC, a political communications business. He was formerly COO and Group Finance Director of WEARE 2020 plc. Prior to this he was Chief Executive and Group Finance Director of SPG Media Group plc, a marketing services business, Group Finance Director of The Wireless Group and two quoted regional newspaper publishers, News Communication and Media plc and Bristol United Press plc. Before this he was Treasurer of Mirror Group Newspapers plc. Keith is a chartered accountant and holds an honours degree in economics from the University of Kent.

Andrew Wilson
Non-Executive Director (54)

Andrew is a Non-Executive Director of Dods Group PLC, Impellam Group plc, GHP AB, Jaywing plc, SUSD Asset Management (Holdings) PLC, Shellproof Limited and Shellshock Limited. He is also a Non-Executive Director of a number of private companies, including Artefact Partners Limited and Pluto Capital Limited.

Andrew Pearson
Non-Executive Director (55)

Andrew is a chartered accountant and as a Senior Partner for 16 years, he formed and led KPMG's Transaction Services business in the Midlands, building a multi-disciplined team of over 40 senior professionals supporting corporate, private equity and bank clients on every type of M&A transaction. Andrew currently is a Senior Partner in WayPoint Change LLP specialising in hands-on business turnaround and M&A projects for banks and private equity funds.

Directors' report

By order of the Board

DWIGHT MIGHTY
Company Secretary
29 April 2014

The Directors present their report together with financial statements for the year ended period 31 December 2013.

Principal activity

The principal activity of the Group is an integrated sports management and marketing agency concentrating its on-field practice on the US baseball market.

Results and dividends

The Group profit before taxation for the year to 31 December 2013 was $0.05 million (2012: loss of $0.08 million). The Directors are proposing that the Company pay a dividend of 0.7 pence per share. This will be payable on 11 July to shareholders on the register at 30 May. The ex-dividend date will be 28 May.

Future developments

The future development of the Group is set out in the Chairman's statement on pages 12 and 13 and the Chief executive review on pages 15 and 16.

Political and charitable donations

No political or charitable donations were made during the period (2012: $nil).

Directors' interests

The present membership of the Board, together with biographies on each, is set out on pages 26–27. All of these Directors served throughout the period, except for Donald Malter who joined the board on 17 September 2013. Directors' interests in shares in the Company are set in The Directors' remuneration report on pages 32 to 35.

Directors' third party indemnity provisions

The Group maintains appropriate insurance to cover Directors' and officers' liability. The Group provides an indemnity in respect of all the Group's Directors. Neither the insurance nor the indemnity provides cover where the Director has acted fraudulently or dishonestly.

Employees

The Group is an Equal Opportunities Employer and no job applicant or employee receives less favourable treatment on the grounds of age, sex, marital status, sexual orientation, race, colour, religion or belief.

It is the policy of the Group that individuals with disabilities, whether registered or not should receive full

and fair consideration for all job vacancies for which they are suitable applicants. Employees who become disabled during their working life will be retained in employment whenever possible and will be given help with any rehabilitation and retraining.

Health and safety

The Group is committed to maintaining a safe and healthy working environment for all staff. To that end it provides appropriate training and supervision.

Supplier payment policy

It is the Group's policy and practice to settle its suppliers accounts on due dates according to agreed terms of credit. The creditor days across the Group for the year were 27 days (2012: 23 days). The Group has $1.5 million of trade payables as at 31 December 2013 (2012: $0.9 million).

Share capital structure

Details of the Company's share capital are set out in note 19 of the financial statements.

The Company has one class of ordinary shares which carry no right to fixed income. Each share carries the right to one vote at general meetings of the Company. There are no restrictions on the transfer of ordinary shares in the capital of the Company other than the customary restrictions contained in the Company's Articles of Association and certain restrictions, which may be required from time to time by law, for example, insider trading laws. In accordance with the Model code which forms part of the Listing Rules of the Financial Services Authority certain Directors and employees are required to seek approval of the Company to deal in its shares.

The Company is not aware of any agreements between shareholders that may result in restrictions on the transfer of securities and/or voting rights. The Company's Articles of Association contain limited restrictions on the exercise of voting rights.

With regard to the appointment and replacement of directors, the Company is governed by its Articles of Association, the Companies Act and related legislation. The Articles themselves may be amended by special resolution at a general annual meeting of shareholders. The powers of directors are described in the Main Board Terms of Reference, copies of which are available on request.

Financial instruments

Details of the financial risk management objectives and policies of the Group, including hedging policies, are given in note 26 to the consolidated financial statements.

Substantial shareholdings

At the date of this report the Company has been notified, in accordance with the Disclosure and Transparency Rules, of the following voting rights as a shareholder of the Company which had disclosable interests of 3% or more of the nominal value of TLA Worldwide plc's ordinary shares of 2p each.

SHAREHOLDER	Shares	Equity %
ISIS Equity Partners	17,880,952	17.86%
Strand Associates Limited	13,896,739	13.88%
Octopus Investments	10,000,000	9.99%
Nigel Wray	9,500,000	9.49%
Amati Global Investments	6,056,000	6.05%
Andrew Witlieb	3,905,079	3.90%
Jordan Bazant	3,905,080	3.90%

During the period between 31 December 2013 and 29 April 2014 the Company did not receive any notifications under chapter 5 of the Disclosure and Transparency Rules.

Going concern

The Directors have reviewed forecasts for the years ending 31 December 2014 and 31 December 2015. For this reason they continue to adopt the giving concern basis in preparing the financial statements. See page 38 for more detail.

Corporate and social responsibility

The Board recognises the growing awareness of social, environmental and ethical matters and it endeavours to take account of the interest of the Group's stakeholders when operating the business.

Annual General Meeting

Your attention is drawn to the Notice of Meeting enclosed with this Annual Report, which set outs out the resolutions to be proposed at the forthcoming Annual General Meeting.

Auditor

Each of the directors at the date of the approval of this Annual 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 ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This conformation is given and should be interpreted on accordance with the provision of s418 of the Companies Act 2006.

The auditor, Deloitte LLP has indicated its willingness to remain in office. A resolution that they be re-appointed will be proposed at the Annual General Meeting.

Starling Marte
Outfielder, Pittsburgh Pirates

Directors' remuneration report

By order of the Board

ANDREW WILSON
Chairman, Remuneration Committee
29 April 2014

As an AIM-listed company, the Company is not required to comply with Schedule 8 of the Companies Act.

However, in accordance with AIM notice 36 has provided, on page 28, the necessary disclosure of the directors' remuneration earned in respect of the financial year by each director of the Company acting in such a capacity during the financial year. The directors also feel it is appropriate to provide the following information to shareholders.

The Remuneration Committee

The Remuneration Committee is comprised of:

- Andrew Wilson (chairman)
- Keith Sadler
- Bart Campbell

The Code recommends that a remuneration committee should be comprised of entirely independent non-executive directors. Andrew Wilson, who is affiliated to a major shareholder, and Bart Campbell, due to his shareholding in the Company and his influence in its formation, are not independent under the Code. The Board does consider them to act independently as regards remuneration issues.

The committee met twice during the period. The company secretary is the secretary to the committee. The committee seeks input from the chief executive officer and the company secretary.

The committee makes reference to external evidence of pay and employment conditions in other companies and is free to seek advice from external advisers.

Remuneration policy

The Group's policy on remuneration for the current period and, so far as is practicable for subsequent years, is set out below. However, the Remuneration Committee believes that it should retain the flexibility to adjust the remuneration policy in accordance with the changing needs of the business. Any changes in the policy in subsequent years will be detailed in future reports on remuneration. The Group must ensure that its remuneration arrangement attract and retain people of the right calibre in order to ensure corporate success and to enhance shareholder value. Its overall approach is to attract, develop, motivate and retain talented people at all levels, by paying competitive salaries and benefits to all staff and encouraging its staff to hold shares in the group. Pay levels are set to take account of contribution and individual performance, wage levels elsewhere in the Group and with reference to relevant market information. The Group seeks to reward its employees fairly and give them the opportunity to increase their earnings by linking pay to achieving business and individual targets.

The Board believes that share ownership is an effective way of strengthening employees' involvement in the development of the business and bringing together their interest and those of shareholders and as such

anticipates granting a share option scheme to key employees in the future.

Executive directors are rewarded on the basis of individual responsibility, competence and contribution and salary increases also take into account pay awards elsewhere in the Group as well as external market benchmarking.

During the period to 31 December 2012 there were three executive directors:

- Michael Principe (CEO)
- Greg Genske (Executive Director)
- Gareth Jones (CFO), appointed to the board on 29 November 2012

Messrs Principe, Genske and Jones participate in the Company's healthcare.

Performance-related elements form a substantial part of the total remuneration packages and are designed to align directors' interest with those of shareholders. In line with best practice and to bring the directors' and shareholders' interest further into line, Executive Directors and the management team are encouraged to maintain a holding of Ordinary Shares in the Group.

Non-executive directors' fees

The Board determines fees for non-executive directors annually, taking advice as appropriate and reflecting the time commitment and responsibilities on the role. Non-executive directors' fees currently comprise a basic fee of £30,000 per annum. The chairman receives a fee of £35,000 per annum. In addition, non-executive directors are paid £5,000 per annum for each committee that they sit on.

Non-executive directors do not participate in any pension schemes or LTIP, except for Mr Campbell. The Group reimburses the reasonable expenses they incur in carrying out their directors' duties.

Remuneration components: executive directors

A significant proportion of each executive director's remuneration is performance related. The main components of the remuneration package for executive directors are:

- Basic salary
- Annual bonuses
- LTIP

Basic salary

Basic salary is set by the remuneration committee by taking into account the responsibility, individual performance and experience of the executive director, as well as market practice for executives in a similar position. Basic salary is reviewed (but not necessarily increased) annually by the remuneration committee.

Bonuses

The executive directors are eligible to participate in annual bonuses. The range of award is based on salary. For each of the executive directors, the percentage is as follows:

- Michael Principe: up to 100%
- Greg Genkse: no bonus
- Donald Malter: 16.7%

The performance requirements for the ability to earn a bonus are set by the committee annually and are quantitative related.

Share incentive

The committee believes that the award of shares aligns the interest of participants and the shareholders. An LTIP for Messrs. Campbell, Mighty and Principe was put into place on 19 December 2013, reflecting the terms set out in the Company's admission document.

As part of this scheme, the following directors have been awarded:

- Michael Principe: 10,136,050 awards
- Dwight Mighty: 2,878,851 awards
- Bart Campbell: 2,878,851 awards

Details of the scheme are given in note 27.

Audited director remuneration

The total amount of remuneration for the directors of the Company for the year ended 31 December 2013 is shown below:

	2013 ($000)	2012 ($000)
Aggregate emoluments	1,095	874

The emoluments of the directors are shown below:

EXECUTIVE DIRECTORS	2013 fees and salary ($000)	2013 benefit in kind ($000)	2013 Total	2012 Total
Michael Principe	400	21	421	302
Greg Genske	300	20	320	338
Donald Malter *	52	–	52	–
Gareth Jones **	100	6	106	9
	852	47	899	649
NON-EXECUTIVE DIRECTORS				
Bart Campbell	70	–	70	72
Keith Sadler	63	–	63	64
Andrew Wilson	63	–	63	51
Andrew Pearson	47	–	47	24
Peter Moore†	–	–	–	13
Aggregate emoluments	**1,095**	**47**	**1,142**	**873**

* Appointed 17 September 2013
** Resigned 1 October 2013
† Resigned 14 March 2012

Directors' service agreement and letters of appointment

Contract for services are negotiated on an individual basis as part of the overall remuneration package. Details are set out below.

	Date of Contract	Period	Company with whom contracted
Michael Principe	8 December 2011	5 years	The Legacy Agency
Greg Genske	8 December 2011	5 years	The Legacy Agency
Donald Malter	13 September 2013	Notice period of up to 2 months	The Legacy Agency

In the event of termination of a contract, each director is entitled to compensation equal to his or her basic salary and bonus for their notice period.

Non-executive directors have letters of appointment, details of which are as follows:

	Date of Contract	Period	Company with whom contracted
Bart Campbell	16 September 2011	12 months	TLA Worldwide plc
Keith Sadler	16 August 2011	6 months	TLA Worldwide plc
Andrew Wilson	14 March 2012	6 months	TLA Worldwide plc
Andrew Pearson	1 June 2012	6 months	TLA Worldwide plc

Directors' interests in shares

The interests of the Directors in the share capital of the Company at 31 December 2013 were as follows:

	Number of shares	Equity %
Bart Campbell*	1,355,556	1.35
Michael Principe	2,040,377	2.04
Andrew Wilson**	125,000	0.12
Greg Genske***	8,281,897	-

* Mr Campbell's sgares are held through International Sports PTE Limited

** Mr Wilson's shares are held through Charles Stanley

*** Mr Genske has an interest 8,281,897 ordinary shares by virtue of him being a vendor of LS Legacy Group Sports LLC. These ordinary shares represent deferred consideration which will be issued on 6 June 2014.

Pensions

The Group's US businesses operate a 401K pension (defined contribution) scheme.

Non-Executive directorships

The Company allows its Executive Directors to take a limited number of outside directorships. Individuals retain the payments received from such services since these appointments are not expected to impinge on their principal employment. No Executive Director currently has an outside directorship.

Other related party instructions

No Director of the Company has, or had, a disclosable interest in any contracts of significant subsisting during or at the end of the period. Disclosable transactions by the Group under IAS24, Related Party Disclosures, are set out in note 24. There have been no other disclosable transactions by the Company and its subsidiaries with Directors of Group companies and with substantial shareholders.

Corporate governance report

By order of the Board

DWIGHT MIGHTY
Company Secretary
29 April 2014

Although not required to comply with the UK corporate governance code ("the Code") issued by the Financial Services Authority in June 2010 the Group is committed to high standards of corporate governance. Whilst the Group has not voluntarily adopted the Code, it applies a level of corporate governance appropriate for a Company of its size. This statement describes how the principles of corporate governance are applied.

THE BOARD

The Board of TLA Worldwide plc is comprised of the Chairman, the Chief Executive Officer, the Chief Financial Officer, an Executive Director and three Non-Executive Directors. Short biographical details of each Director are set out on page 26. The Board is responsible to the shareholders for the proper management of the Group and meets at least five times a year to set the overall direction and strategy of the Group. All strategic operational and investment decisions are subject to Board approval.

The role of the Chief Executive and Chairman are separate and there is a clear division of their responsibilities. All directors are subject to re-election every three years. The Company has additionally supplemented this with the good practice of one third of the total number of Directors standing for re-election at each Annual General Meeting ("AGM"). Therefore, Andrew Wilson and Michael Principe will retire at the upcoming AGM and, being eligible for re-election, offer themselves for re-election. Donald Malter offers himself for election.

Board Committees

REMUNERATION COMMITTEE

The composition of the Remuneration Committee is disclosed on page 29 and comprises solely Non-Executive Directors. The Remuneration Committee, on behalf of the Board, as an when necessary to review and approve as appropriate the contract terms, remuneration and other benefits of the Executive Directors and senior management and major remuneration plans for the Group as a whole.

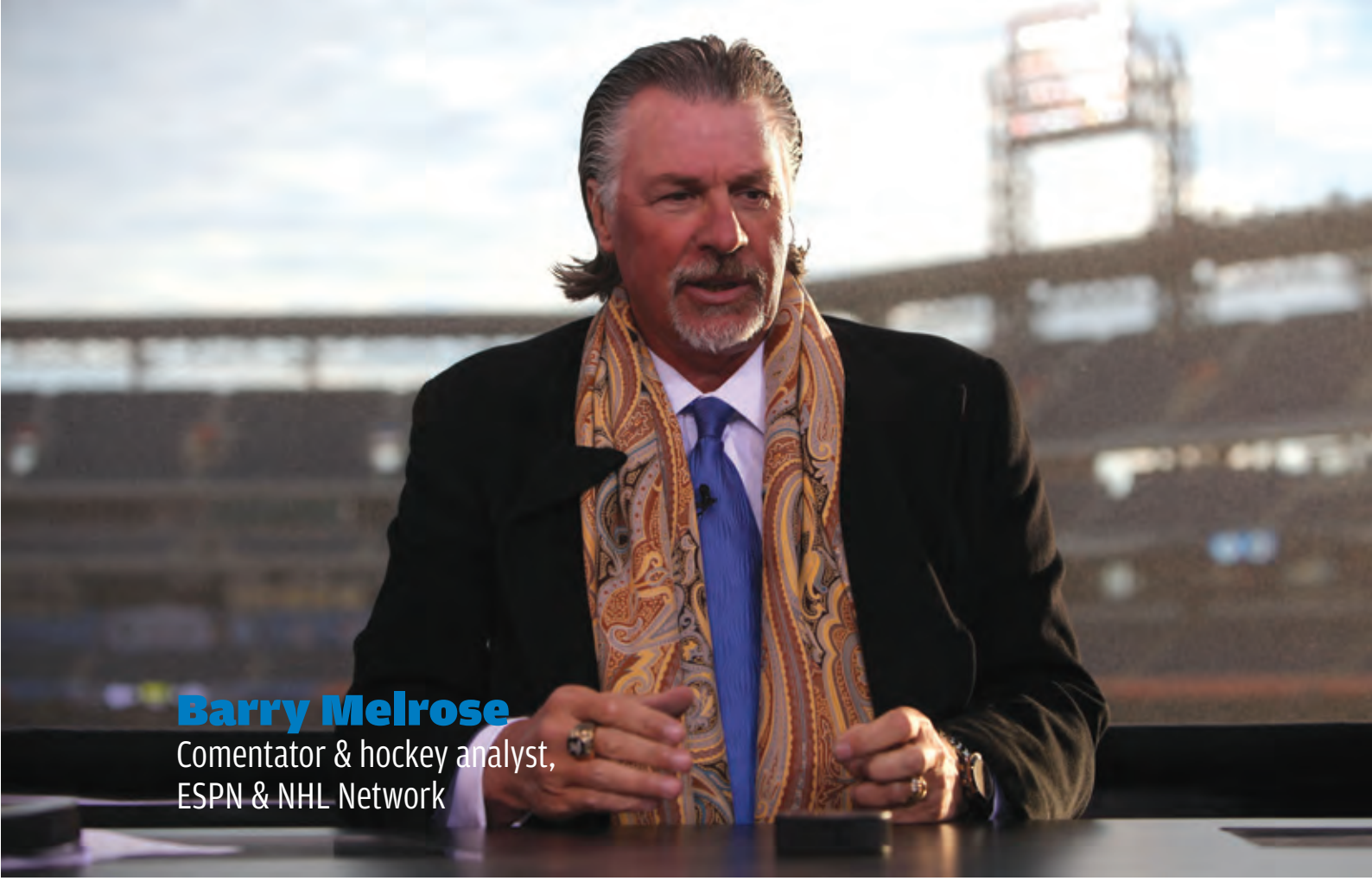
The Remuneration Committee approves setting of objectives of the Executive Directors and authorises their annual bonus payments for achievement of objectives.

The Remuneration Committee approves remuneration packages sufficient to attract and motivate Executive Directors required to run the Group successfully, but does not pay more than is necessary for this service.

All the decisions of the Remuneration Committee on remuneration matters in the period ending 31 December 2013 were reported to and endorsed by the Board. Further details of the Group's policies on remuneration and service contracts and are given in the Directors' remuneration report on pages 32 to 35.

AUDIT COMMITTEE

The Audit Committee comprises solely Non-Executive Directors. By invitation, the meeting of the Audit Committee may be attended by other Directors and the external auditor. The Committee meets not less than twice annually. The Audit Committee oversees the monitoring of the adequacy and effectiveness of the Group's internal controls, accounting policies and financial reporting and provides a forum for reporting by the Group's external auditor. Its duties include keeping under review the scope and results of the audit and its effectiveness, consideration of management's responses to any major audit recommendations and the independence and objectivity of the external auditors. This will include taking into consideration relevant UK professional and regulatory requirements and to develop and implement policy on the engagement of the external auditor to supply non-audit services, taking into account relevant ethical guidance.



NOMINATIONS COMMITTEE

The Nominations Committee comprises the Chairman and the Non-Executive Directors. It is responsible for monitoring the composition and balance of the Board and making recommendations to the Board on potential new Board appointments.

COMPANY SECRETARY

The Company Secretary is responsible for advising the Board through the Chairman on all governance issues. All Directors have access to the advice and services of the Company Secretary.

ATTENDANCE AT BOARD AND COMMITTEE MEETINGS

	Board	Audit	Remuneration
Total meetings held	13	2	2
Bart Campbell [A R]	11	2	2
Michael Principe	13	-	-
Gareth Jones (resigned 1 October 2013)	8	-	-
Don Malter (appointed 17 September 2013 maximum possible meetings: 3)	3	-	-
Greg Genske	12	-	-
Keith Sadler [A R]	13	2	2
Andrew Wilson [A R]	12	2	2
Andrew Pearson	13	-	-

A - Audit Committee member
R - Remuneration Committee member

Relationship with shareholders

The Board recognises the importance of effective communications with the Company's shareholders to ensure that its strategy and performance is understood and that it remains accountable to shareholders. The Company communicates to investors through Interim Statements, audited Annual Reports, press releases and the Company's website (www.tlaww-plc.com). Shareholders are welcome to the Company's AGM (notice of which is provided with this report) where they will have the opportunity to meet the board. The Company obtains feedback through its brokers on the views of institutional investors on a non-attributed and attributed basis and any concerns of major shareholders would be communicated to the Board.

Internal control

The Board acknowledges its responsibility for establishing and maintaining the Group's internal control and will continue to ensure that management keeps these processes under regular review and improves them where appropriate.

Management structure

There is clearly defined organisational structure throughout the Group with established lines of reporting and delegation of authority based on job responsibilities and experience.

Financial reporting

Monthly management accounts provide relevant, reliable, up-to-date financial and non-financial information to management and the Board. Annual plans, forecast and performance targets allow management to monitor the key business and financial activities and the progress towards achieving objectives. The Board approves the annual budget.

Monitoring of controls

It is intended that the Audit Committee receives reports from the auditor and assures itself that the internal control environment of the Group is operating effectively. There are formal policies and procedures in place to ensure the integrity and accuracy of the accounting records and to safeguard the Group's assets. Significant capital projects and acquisitions and disposals require Board approval.

Going concern

The Directors have reviewed forecasts for the year, ending 31 December 2014 and 31 December 2015. The Directors consider the forecasts to be prudent and have assessed the impact on the Group's cash flow, facilities and headroom within its banking covenants. Further, the Directors have assessed the future funding requirements of the Group, including the payment of future earn-outs, and compared the level of borrowing facilities. Based on this work, the Directors are satisfied that despite any unavoidable economic uncertainty, the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the giving concern basis in preparing the financial statements.

CORPORATE SOCIAL RESPONSIBILITY

The Board recognises the growing awareness of social, environmental and ethical matters and it endeavors to take into account the interests of the Group's stakeholders including investors, employees, suppliers and business partners when operating the business.

EMPLOYMENT

At a subsidiary level each individual Company has established polices which addresses key corporate objectives in the management of employee relations, communications and employee involvement, training and personal development and equal opportunity. The Board recognizes its legal responsibility to ensure the wellbeing, safety and welfare of its employees and to maintain a safe and healthily working environment for them and for its visitors. Health and Safety is on the agenda for regular scheduled plc Board and Operational Board meetings.

Mike Brey
Head men's basketball coach,
University of Notre Dame

Directors' responsibilities statement

By order of the Board

MICHAEL PRINCIPE
Chief Executive Officer
29 April 2014

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 are required to prepare the group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and Article 4 of the IAS Regulation and have elected to prepare the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the accounts 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 the parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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.

In preparing the group financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

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.

Responsibility statement

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole;
- the strategic report includes a fair review of the development and performance of the business and the position of the company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- the annual report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the company's performance, business model and strategy.

Independent auditor's report to the members of TLA Worldwide PLC

We have audited the group financial statements of TLA Worldwide plc for the year ended 31 December 2013 which comprise the Group Income Statement, the Group Statement of Comprehensive Income, the Group Balance Sheet, the Group Statement of Changes in Equity, the Group Statement of Cash Flows and the related notes 1 to 27. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the group financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the group financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the group financial statements:

- give a true and fair view of the state of the Group's affairs as at 31 December 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

IAN SMITH
Senior statutory auditor for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Gatwick, 29 April 2014

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the group financial statements are prepared is consistent with the group financial statements.

Matters on which we are required to report by exception

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

- 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.

Other matter

We have reported separately on the parent Company financial statements of TLA Worldwide plc for the year ended 31 December 2013.

Group income statement

For the year ended 31 December 2013

	Note	Year ended 31 December 2013 ($000)	Year ended 31 December 2012 ($000)
Revenue	**1**	**18,605**	**15,082**
Cost of sales		(633)	(585)
Gross profit		**17,972**	**14,497**
Administrative expenses		(16,538)	(13,293)
Operating profit from operations		**1,434**	**1,204**
Headline EBITDA		**7,269**	**6,566**
Amortisation of intangibles		(5,020)	(4,404)
Depreciation		(33)	(8)
Exceptional and acquisition related costs	4	(782)	(950)
Operating profit from operations		**1,434**	**1,204**
Finance costs	2	(1,384)	(1,283)
Profit/(loss) before taxation	**4**	**50**	**(79)**
Taxation	8	923	(1,117)
Profit/(loss) for the period from continuing operations attributable to the equity holders in the Company		**973**	**(1,196)**
Profit/(loss) per share from continuing operations:			
Basic (cents)	3	0.77	(1.19)
Diluted (cents)	3	0.77	(1.19)

Group statement of comprehensive income

For the year ended 31 December 2013

	Year ended 31 December 2013 ($000)	Year ended 31 December 2012 ($000)
Profit/(loss) after taxation	**973**	**(1,196)**
Dividend paid	(821)	–
Exchange differences on translation of overseas operations	350	(88)
Total comprehensive income	**502**	**(1,284)**

Group balance sheet

For the year ended 31 December 2013

	Note	Year ended 31 December 2013 ($000)	Year ended 31 December 2012 ($000)
NON-CURRENT ASSETS			
Intangible assets – goodwill	10	29,022	29,022
Other intangible assets	11	17,388	22,407
Property, plant and equipment	12	184	37
Deferred tax asset	9	2,805	1,055
		49,399	**52,521**
CURRENT ASSETS			
Trade and other receivables	13	7,823	3,698
Cash and cash equivalents		4,429	4,124
		12,252	**7,822**
Total assets		**61,651**	**60,343**
CURRENT LIABILITIES			
Trade and other payables	14	(3,875)	(1,870)
Borrowings	15	(4,352)	(1,907)
Deferred consideration	17	(2,663)	(4,005)
		(10,890)	**(7,782)**
Net current assets		**1,362**	**40**
NON-CURRENT LIABILITIES			
Borrowings	15	(5,896)	(5,799)
Deferred consideration	17	(9,702)	(12,103)
Derivative financial instruments	16	(63)	(129)
Other payables		(8)	(10)
		(15,669)	**(18,041)**
Total liabilities		**(26,559)**	**(25,823)**
Net assets		**35,092**	**34,520**
EQUITY			
Share capital	19	2,747	2,741
Share premium	20	23,461	23,396
Shares to be issued	20	12,177	12,177
Foreign currency reserve	20	436	86
Retained loss	20	(3,729)	(3,880)
Total equity		**35,092**	**34,520**

The financial statements of TLA Worldwide PLC, registered Company number 7741649 were approved by the Board of Directors' and authorised for issue on 29 April 2014. They are signed on its behalf by: **Michael Principe (Chief Executive), 29 April 2014.**

Group statement of changes in equity

For the year ended 31 December 2013

	Share capital ($000)	Share premium ($000)	Shares to be issued ($000)	Foreign currency reserve ($000)	Retained earnings ($000)	Total ($000)
Balance at 31 January 2012	**1,985**	**16,262**	**10,866**	**174**	**(2,684)**	**26,603**
Total comprehensive income for period	–	–	–	(88)	(1,196)	**(1,284)**
Equity issued during the period	756	7,332	–	–	–	**8,088**
Equity costs charged during the period	–	(198)	–	–	–	**(198)**
Deferred consideration to be settled in equity	–	–	1,311	–	–	**1,311**
Balance at 31 December 2012	**2,741**	**23,396**	**12,177**	**86**	**(3,880)**	**34,520**
Total comprehensive income for period	–	–	–	350	151	**501**
Equity issued during the period	6	65	–	–	–	**71**
Balance at 31 December 2013	**2,747**	**23,461**	**12,177**	**436**	**(3,729)**	**35,092**

Group Statement of Cash Flows

For the year ended 31 December 2013

	Note	Year ended 31 December 2013 ($000)	Year ended 31 December 2012 ($000)
Net cash from operating activities	**22**	**3,332**	**2,421**
INVESTING ACTIVITIES			
Purchases of property, plant and equipment	12	(181)	(41)
Deferred consideration paid	17	(4,005)	(303)
Acquisition of subsidiary undertakings		–	(2,410)
Net cash used in investing activities		**(4,186)**	**(2,754)**
FINANCING ACTIVITIES			
Interest paid	2	(410)	(492)
Repayment of borrowings	15	(1,000)	(2,000)
Fees paid on issue of new bank loans		(81)	–
Increase in borrowings	15	3,400	–
Dividend		(821)	–
Issue of shares for cash consideration (net of issue costs)	20	71	3,834
Net cash from financing activities		**1,159**	**1,342**
Net increase in cash and cash equivalents		**305**	**1,009**
Cash and cash equivalents at beginning of period		**4,124**	**3,115**
Cash and cash equivalents at end of period		**4,429**	**4,124**

Principal accounting policies

General information

TLA Worldwide PLC (the "Company") is incorporated in the United Kingdom under the Companies Act. The Company and its subsidiaries (together the "Group") principal activities are set out as part of the business review on pages 18 to 22. These financial statements are presented in US Dollars because that is the currency of the primary economic environment in which the Group operates.

ADOPTION OF NEW AND REVISED STANDARDS

The following IFRIC interpretations and amendments to existing standards and new standards have been adopted in the current year but have not impacted the reporting results of the financial position:

IAS 12	Income taxes (amended) – deferred tax: recovery of underlying assets
IFRS 7	Financial instruments: Disclosures: Transfers of Financial Assets

At the date of authorization of these financial statements, the following standards and interpretations which have not been applied in these financial statements were in issue but not yet effective (and in some cases had not yet been adopted by the EU):

IFRS 1	(Amended) Severe Hyperinflation and Removal of Fixed Dates for First Time Adopters
IFRS 7	(Amended) Financial instruments: Disclosures: enhancing disclosures about offsetting financial assets and financial liabilities and disclosures about the initial application of
IFRS 9	Financial Instruments
IFRS	10 Consolidated Financial Statements
IFRS 11	Joint arrangements
IFRS 12	Disclosure of Interests in Other Entities
IFRS 13	Fair Value Measurement
IAS 1	(amended) Presentation of Items of Other Comprehensive Income
IAS 19	(revised) Employee Benefits
IAS 27	(revised) Separate Financial Statements
IAS 28	(revised) Investments in Associates and Joint Ventures
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine

The directors anticipate that the adoption of these standards and interpretations in future periods will have no material impact on the financial statements of the Group. The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these consolidated financial statements.

Judgements made by the Directors in the application of these accounting policies that have a significant effect on the consolidated financial statements together with estimates with significant risk of material adjustment in the next year are discussed in note 25.

Going concern

The Directors have reviewed the forecasts for the year ending 31 December 2014 and 31 December 2015. The Directors consider the forecasts to be prudent and have assessed the impact on the Group's cash flow, facilities and headroom within its banking covenants. Further, the Directors have assessed the future funding requirements of the Group, including the scheduled payments of deferred consideration for acquisitions, and compared the level of the borrowing facilities.

Based on this work, the Directors are satisfied that Group has adequate resources to continue in operational existence for the foreseeable future despite current economic uncertainty. For this reason they continue to adopt the going concern basis in preparing the financial statements.

Basis of accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements have also been prepared in accordance with IFRSs adopted by the European Union and therefore the Group financial statements comply with Article 4 of the EU IAS regulation.

The financial statements have been prepared on the historical cost basis except for the revaluation of financial instruments. Historical cost is generally based on the fair value of the consideration given in exchange for the assets. The principal accounting policies are set out below:

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each year. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

On acquisition, the assets and liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired (i.e. discount on acquisition) is credited to the income statement in the period of acquisition.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). All other subsequent changes in the fair value of contingent consideration classified as an asset or liability are accounted for in accordance with relevant IFRSs. Changes in the fair value of contingent consideration classified as equity are not recognised.

Where a business combination is achieved in stages, the Group's previously-held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3(2008) are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with IFRS 2 Share-based Payment; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date, and is subject to a maximum of one year.

Revenue

Revenue is measured as the fair value of the consideration received or receivable and comprises amounts billed to clients in respect of fees earned and commission-based income, together with fees earned from the provision of support services to other agents and is stated exclusive of any relevant sales taxes. Revenue is recognised in line with the provision of relevant services under the terms of the contract, provided that it is probable that the economic benefits will flow to the Group and the amount

of revenue can be measured reliably.

All revenue is earned from talent representation, and can be split into three revenue streams:

1) Representation revenue

Representation revenue is generated from a commission paid as a percentage of a player's base salary. Base salaries are fees payable by baseball clubs to their players. These fees are contractual obligations made by the club to pay the player for a specific number of seasons. Revenue is recognised at the point the player becomes contractually obliged to pay commission to the Group.

2) Signing bonuses

Signing bonuses are amounts payable by the clubs to the player for signing a contract. The Group earns a commission based on a percentage of the signing bonus. Commission revenue is recognised when the player receives the signing bonus from the relevant baseball club, at which point the player becomes contractually obliged to pay commission to the Group.

3) Endorsement revenue

Endorsement revenue is generated from commission calculated as a percentage of fees earned by clients for guest appearances, wearing of certain attire or other sponsorship deals. Revenue is recognised based on the terms of the individual contracts, in the period that the associated fees are earned by the player

Cost of sales

Cost of sales includes commission-based staff costs, including salaries, bonuses and social security costs, and expenses reimbursed to commission-based agents.

Property, plant and equipment

The fixtures and fittings are stated at cost. Depreciation is computed on the straight-line method using an estimated useful life ranging from three to fifteen years. Repairs and maintenance are charged to expense in the year incurred, major improvements and new assets are capitalized and depreciated using an estimated useful life ranging from three to five years. The estimated useful lives are as follows:

- Fixtures and fittings – 3 to 5 years

It is assumed that all assets will be used until the end of their useful life.

Intangible assets and goodwill

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Intangible assets arising from a business combination whose fair values can be reliably measure are separated from goodwill and amortised based on the future cashflows attributable to the individual assets.

Intangible assets with an indefinite useful life and goodwill are systematically tested for impairment at each balance sheet date. Other intangibles assets are amortised from the date they are available for use. The estimated useful lives are as follows:

- Client contracts – over life of the contract
- Customer relationships – 6–8 years

Impairment

For goodwill that has an indefinite useful life the recoverable amount is estimated annually. For other assets the recoverable amount is only estimated when there is an indication that impairment may have occurred. The recoverable amount is the higher of fair value less costs to sell and value in use.

Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then to reduce the carrying amount of other assets in the unit on a pro rata basis. A cash generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash flow from other assets or group of assets. Details of which are set out in note 10.

Taxation

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

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

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Foreign currencies

The individual financial statements of each group company are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each group company are expressed in US Dollars which is the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the group's foreign operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

Translation differences on non-monetary financial assets and liabilities are reported as part of the fair value gain or loss. Translation differences on non- monetary financial assets, such as investments in equity securities classified as available for sale, are included in the fair value reserve in equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Bank borrowings

Interest bearing bank loans and overdrafts are recorded at an amount and the amount of the proceeds received net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accrual basis in the Consolidated income statement using the effective interest rate method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arose.

Finance costs

Finance costs of financial liabilities are recognised in the income statement over the term of such instruments at a constant rate of the carrying amount.

Operating leases

Leases where substantially all of the risks and rewards of ownership are not transferred to the Group are treated as operating leases. Rentals under operating leases are charged to the income statement on a straight line basis over the period of the lease.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand 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.

Financial instruments

Financial assets and financial liabilities are recognised in the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

FINANCIAL ASSETS

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

LOANS AND RECEIVABLES

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

IMPAIRMENT OF FINANCIAL ASSETS

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For listed and unlisted equity investments classified as AFS, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, including redeemable notes classified as AFS and finance lease receivables, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the differences between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

FINANCIAL LIABILITIES AND EQUITY

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

EQUITY INSTRUMENTS

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

FINANCIAL LIABILITIES

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

FINANCIAL LIABILITIES AT FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39 Financial Instruments: Recognition and Measurement permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the income statement. Fair value is determined in the manner described in note 26.

OTHER FINANCIAL LIABILITIES

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

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

DERECOGNITION OF FINANCIAL LIABILITIES

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

DERIVATIVE FINANCIAL INSTRUMENTS

The Group enters into a interest rate swaps to manage its exposure to interest rate, The Group holds. Further details of derivative financial instruments are disclosed in note 17.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain or loss is recognised in profit or loss immediately.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Trade receivables

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

Investments

Investments are recognised and derecognised on a trade date where a purchase or sale of an investment is under contract whose terms require the delivery of the investment within the timeframe established by the market concerned, and are initially measured at cost, including transaction costs. Investments are classified either as available for sale, and are measured at subsequent reporting dates at fair value, or at amortised cost, where no fair value is readily determinable.

Gains and losses on available for sale financial assets arising from changes in fair value are recognized directly in equity, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in the net profit or loss for the period.

Trade payables

Trade payables are not interest-bearing and are stated at their nominal value.

Notes

Notes to the consolidated financial statements

1. Segmental analysis

The Group reports its business activities in two areas: Baseball Representation and Sports Marketing. Unallocated represents the Group's costs as a public company, along with intragroup transactions, and exceptional items (see note 4). The Group derives its revenues in the United States of America.

Baseball Representation – primarily assists the on field activities of baseball players, including all aspects of a player's contract negotiation.

Sports Marketing – primarily assists the off-field actives of athletes; it represents broadcasters and coaches in respect of their contract negotiations; manages and produces events, primarily in sports; and media consultancy.

All of the Group's revenue arises through the rendering of services. In the year ended 31 December 2013, there were no clients who generated in excess of 10 percent of total revenue (2012: none).

YEAR ENDED 31 DECEMBER 2013	Baseball representation ($000)	Sports marketing ($000)	Unallocated ($000)	Total ($000)
Revenues	13,081	5,524	–	18,605
Cost of sales	–	(633)	–	(633)
Gross profit	**13,081**	**4,891**	**–**	**17,972**
Operating expenses excluding depreciation, amortization and exceptional items	(6,739)	(2,359)	(1,605)	(10,703)
Operating profit before depreciation, amortization and exceptional items.	**6,342**	**2,532**	**(1,605)**	**7,269**
Amortisation of intangibles arising on acquisition	(3,759)	(1,261)	–	(5,020)
Depreciation	(11)	(4)	(18)	(33)
Exceptional items and acquisition related costs	–	–	(782)	(782)
Operating profit/(loss)	**2,572**	**1,267**	**(2,405)**	**1,434**
Finance costs				(1,384)
Profit before tax				**50**
Tax				923
Profit for the period				**973**
Assets	45,335	14,777	1,539	61,651
Liabilities	(222)	(1,390)	(24,947)	(26,559)
Capital Employed	**45,113**	**13,387**	**(23,408)**	**35,092**

YEAR ENDED 31 DECEMBER 2012	Baseball representation ($000)	Sports marketing ($000)	Unallocated ($000)	Total ($000)
Revenues	10,065	5,017	–	15,082
Cost of sales	(354)	(231)	–	(585)
Gross profit	**9,711**	**4,786**	**–**	**14,497**
Operating expenses excluding depreciation, amortisation and exceptional items	(4,246)	(2,262)	(1,423)	(7,931)
Operating profit before depreciation, amortization and exceptional items	**5,465**	**2,524**	**(1,423)**	**6,566**
Amortisation of intangibles arising on acquisition	(3,081)	(1,323)	–	(4,404)
Depreciation	(5)	(1)	(2)	(8)
Exceptional and acquisition related costs (See note 4)	–	–	(950)	(950)
Operating profit/(loss)	**2,379**	**1,200**	**(2,375)**	**1,204**
Finance costs				(1,283)
Loss before tax				**(79)**
Tax				(1,117)
Loss for the period				**(1,196)**
Assets	44,373	14,463	1,507	60,343
Liabilities	(564)	(1,157)	(24,102)	(25,823)
Capital Employed	**43,809**	**13,306**	**(22,595)**	**34,520**

The accounting policies of the reportable segments are the same as the Group's accounting policies described the principal accounting policies. Segment profit represents the profit earned by each segment, central administration costs including directors' salaries, exceptional, acquisition and finance costs, and income tax expense. This is the measure reported to the Group's Chief Executive for the purpose of resource allocation and assessment of segment performance.

2. Finance costs

	Year ended 31 December 2013 ($000)	Year ended 31 December 2012 ($000)
Interest on bank overdrafts and other loans	(410)	(493)
Total interest expense	**(410)**	**(493)**
Fair value gain/(loss) on interest rate swaps	66	(51)
Amortisation of borrowing costs over the term of the loan	(87)	(173)
Amortisation of discount on deferred consideration	(953)	(566)
Total finance costs	**(1,384)**	**(1,283)**

3. Earnings/(loss) per share

	Year ended 31 December 2013 (¢)	Year ended 31 December 2012 (¢)
Basic and diluted loss per share	0.77	(1.19)

The calculation of loss per share per share is based on the following data:

	2013 ($000)	2012 ($000)
Profit/(loss) for the purposes of basic earnings per share being net gain/ (loss) attributable to owners of the Company	973	(1,196)
NUMBER OF SHARES		
Weighted average number of shares in issue	87,599,178	65,469,620
Weighted average Deferred consideration shares to be issued	38,028,044	34,905,521
Weighted average number of shares for the purposes of basic and diluted earnings per share	125,627,220	100,375,141

Headline earnings per share (see below)

	Year ended 31 December 2013 (¢)	Year ended 31 December 2012 (¢)
Basic headline earnings per share	5.34	4.19
Diluted headline earnings per share	5.34	4.19

Adjustment to the earnings is defined as profit or loss for the period adjusted to add back amortisation of acquired intangible assets and any other acquisition related charges, share based payment charges, fair value movement on financial derivatives and exceptional items.

The Headline profit attributable to owners of the Company used in calculating the basic and diluted adjusted earnings per share is reconciled below:

	Year ended 31 December 2013 ($000)	Year ended 31 December 2012 ($000)
Profit/(loss) attributable to shareholders	**973**	**(1,196)**
Adjusted for exceptional and acquisition related costs (see note 4)	782	950
Amortisation of acquired intangible assets	5,020	4,404
Fair value (gain)/ loss on interest rate swap (see note 16)	(66)	51
Headline profit attributable to owners of the Company	**6,709**	**4,209**

4. Profit/(loss) before taxation

The following are included in profit/(loss) before tax:

	Year ended 31 December 2013 ($000)	Year ended 31 December 2012 ($000)
Depreciation of property, plant and equipment	33	8
Amortisation of other intangible assets	5,020	4,404
Exceptional and acquisition related costs (see below)	782	950
Staff costs (see note 7)	6,640	4,366
Auditor's remuneration (see note 5)	141	204

The exceptional and acquisition related costs/(gains) relate to:

	Year ended 31 December 2013 ($000)	Year ended 31 December 2012 ($000)
Acquisition related costs	–	614
Integration costs	1,169	406
Loyalty bonus arising on acquisition	250	250
Fair value movement on valuation of deferred consideration (note 17)	(637)	(320)
Total exceptional and acquisition related costs	**782**	**950**

5. Auditor's remuneration

The analysis of the auditor's remuneration is as follows:

	Year ended 31 December 2013 ($000)	Year ended 31 December 2012 ($000)
Fees payable to the Company's auditor and their associates for the audit of the Company's annual accounts	129	135
Total audit and related assurance fees	**129**	**135**
Interim review	12	–
Other taxation advisory services	–	69
Corporate finance services	–	–
Total non-audit fees	**12**	**69**
Total Fees	**141**	**204**

6. Transaction with key management personnel

Key management of the Group is considered to be the Board of Directors and the operational Board.

	Year ended 31 December 2013 ($000)	Year ended 31 December 2012 ($000)
SHORT TERM BENEFITS		
Salaries including bonuses	1,095	608
Social security costs	23	14
Healthcare and other costs	47	41
Total Remuneration	**1,165**	**663**

Further information in respect of Directors is given in the Directors' Remuneration table on page 34.

7. Staff costs

The average monthly number of employees (including executive directors) was:

	Year ended 31 December 2013 ($000)	Year ended 31 December 2012 ($000)
Administration/Support	20	28
Agents	27	19
Executive Directors	4	4
Total	**51**	**51**

Their aggregate remuneration comprised:

	Year ended 31 December 2013 ($000)	Year ended 31 December 2012 ($000)
Wages and salaries	5,250	3,622
Social security costs	221	161
Other costs	1,169	583
Total	**6,640**	**4,366**

8. Tax

	Year ended 31 December 2013 ($000)	Year ended 31 December 2012 ($000)
UK TAXES		
Current year	-	-
US TAXES		
Current year	(892)	(1,420)
Adjustments in respect of prior year	65	221
	(827)	**(1,199)**
Deferred tax - current year	990	82
Deferred tax - adjustments in respect of prior year	760	-
	1,750	**82**
Total tax credit/(charge)	**923**	**(1,117)**

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdiction.

The charge for the year can be reconciled to the loss per the income statement as follows:

	Year ended 31 December 2013 ($000)	Year ended 31 December 2012 ($000)
Profit/(loss) before tax on continuing operations	**50**	**(79)**
Tax credit at the US corporation tax rate of 40% (31 December 2012: 40%)	(20)	32
EFFECTS OF:		
Tax losses utilised in the year	141	497
Expenses not deductible for tax purposes	(125)	(1,358)
Other timing differences	-	(477)
Adjustments to tax charge for prior period	826	221
Effect of different tax rates of entities operating in other jurisdictions	101	(32)
Tax credit/(charge) for the year	**923**	**(1,117)**

9. Deferred tax

The following are the major deferred tax liabilities and assets recognised by the group and movements thereon during the current reporting period.

	Intangible assets ($000)	Goodwill ($000)	Tax losses ($000)	Other timing differences ($000)	Total ($000)
At 31 December 2011	**(9,066)**	**9,181**	**487**	**371**	**973**
Arising on acquisition	(1,660)	1,660	-	-	-
Credit /(charge) to income	1,773	(1,296)	(395)	-	82
At 31 December 2012	**(8,953)**	**9,545**	**92**	**371**	**1,055**
Credit /(charge) to income	1,698	(214)	(92)	358	1,750
At 31 December 2013	**(7,255)**	**9,331**	**-**	**729**	**2,805**

	2013 ($000)	2012 ($000)
Deferred tax asset	10,060	10,008
Deferred tax liability	(7,255)	(8,953)
Total	**2,805**	**1,055**

10. Goodwill

COST AND NET BOOK VALUE	($000)
At 1 January 2012	**24,229**
Acquisition of subsidiaries	4,793
At 31 December 2012 and 31 December 2013	**29,022**

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units (CGUs) that are expected to benefit from that business combination. The carrying amount of goodwill had been allocated as follows:

	Year ended 31 December 2013 ($000)	Year ended 31 December 2012 ($000)
Legacy	18,109	18,109
PEG	4,793	4,793
Baseball representation	**22,902**	**22,902**
Agency	6,120	6,120
Sports marketing	**6,120**	**6,120**
Total – TLA Worldwide	**29,022**	**29,022**

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

The recoverable amounts of all three CGUs are determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to contractual revenue and direct costs during the period.

Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs.

The unit cash flows were discounted using a pre-tax discount rate of 11.5% (2011: 11.5%) which the Directors believe adequately reflects current market assessment in respect of both the time value of money and the risk specific to each CGU. This discount factor was considered to be appropriate for all the units, given their geography and market sector.

The Group has conducted a sensitivity analysis on the impairment test of each CGUs carrying value. A decline of 15% to cash flows, or an increase in the discount rate to 17% would result in the carrying value of goodwill being reduced to its recoverable amount.

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by management for the next five years and extrapolates cash flows for the following five years based on an estimated growth rate of 0% (2012: 0%). This rate does not exceed the average long-term growth rate for the relevant markets.

As a consequence the Directors do not consider any need for impairment to Goodwill as at 31 December 2013.

11. Other Intangible Assets

	Client contracts ($000)	Customer relationships ($000)	Total ($000)
COST			
At 1 January 2012	**7,499**	**15,455**	**22,954**
Acquisition of subsidiaries	1,666	2,485	4,151
At 31 December 2012 & 31 December 2013	**9,165**	**17,940**	**27,105**
ACCUMULATED AMORTISATION			
At 1 January 2012	**(189)**	**(104)**	**(293)**
Charge for the year	(2,920)	(1,484)	(4,404)
At 31 December 2012	**(3,109)**	**(1,588)**	**(4,697)**
Charge for the year	(1,854)	(3,166)	(5,020)
At 31 December 2013	**(4,963)**	**(4,754)**	**(9,717)**
CARRYING AMOUNT			
At 31 December 2013	**4,203**	**13,185**	**17,388**
At 31 December 2012	**6,056**	**16,351**	**22,407**

12. Property Plant and Equipment

	Client contracts ($000)	Customer relationships ($000)
COST		
At 1 January 2012	**4**	**4**
Additions	41	41
At 31 December 2012	**45**	**45**
Additions	181	181
At 31 December 2013	**226**	**226**
ACCUMULATED AMORTISATION		
At 1 January 2012	**–**	**–**
Charge for year	(8)	(8)
At 31 December 2012	**(8)**	**(8)**
Charge for year	(34)	(34)
At 31 December 2013	**(42)**	**(42)**
CARRYING AMOUNT		
At 31 December 2012	**37**	**37**
At 31 December 2013	**184**	**184**

13. Trade and other receivables

	2013 ($000)	2012 ($000)
Trade receivables	5,222	2,586
Other debtors	1,526	632
Current tax asset	360	360
Prepayments	715	120
Total	**7,823**	**3,698**

TRADE RECEIVABLES

Amounts receivable from trade customers are non-interest bearing and are generally on 30-60 day terms.

Trade receivables disclosed above include amounts (see below for aged analysis) which are past due at the reporting date but against which the Group has not recognised an allowance for doubtful receivables because there has not been a significant change in credit quality and the amounts are still considered recoverable. The average age of these receivables is 50 days (2012: 56 days).

AGEING OF PAST DUE BUT NOT IMPAIRED RECEIVABLES	2013 ($000)	2012 ($000)
0-30 days	3,317	1,576
30-60 days	598	345
60-90 days	106	74
90-120 days	1,201	591
Total	**5,222**	**2,586**

In determining the recoverability of a trade receivable the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated.

The Directors have considered the material receivables that are past due dates with senior management directly responsible for those relationships. On the basis of these discussions and the credit control procedures in place the directors consider that these receivables are recoverable. The directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value.

14. Trade and other payables

	2013 ($000)	2012 ($000)
Amounts payable to providers of services	1,479	933
Accruals and other amounts payable	1,569	798
Current taxes payable	827	139
Total	**3,875**	**1,870**

Amounts payable to providers of services and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 27 days (2012: 23 days). For most suppliers no interest is charged on the trade payables for the first 30 days from the date of the invoice. Thereafter, interest is charged on the outstanding balances at various interest rates. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

The directors consider that the carrying amount of trade payables approximates to their fair value.

15. Borrowings

	2013 ($000)	2012 ($000)
SECURED BORROWING AT AMORTISED COST		
Bank loans	7,000	8,000
Revolving credit facilities	3,400	-
Debt costs amortised over the life of the facility	(152)	(294)
Total	**10,248**	**7,706**
TOTAL BORROWINGS		
Amount due for settlement within 12 months	4,352	1,907
Amount due for settlement after 12 months	5,896	5,799
Total	**10,248**	**7,706**

All borrowings are denominated in US dollars. The other principal features of the Company's borrowings are as follows:

- interest is charged at 2.25% above US LIBOR;
- the facilities is secured against trade receivables and contracted revenue;
- the loan repayments are made quarterly plus a final bullet repayment over the life of the loan; and
- the facilities are renewable in January 2018.

16. Derivative financial instruments

	2013 ($000)	2012 ($000)
Interest Rate Swap	63	129

On 16 December 2011 the Group entered into an interest rate swap of 5.22% for the period 8 December 2011 to 2 December 2016 for $10 million of its borrowings.

The swap is designated a hedge of the interest rate expenses relating to the Group loans. The contract was marked to market on 31 December 2013 and had a fair value liability of $63,000 (31 December 2012: $129,000). In accordance with IAS 39 the profit has been recognised as an credit in the period.

The interest rate swap's contractual maturity is summarised below:

	2013 ($000)	2012 ($000)
Within 6 months	21	224
In 6 to 12 months	23	192
1 to 5 years	107	481

17. Deferred consideration

Under the terms of the acquisition agreements in relation to Agency, Legacy, and PEG the Company has obligations to the vendors of those businesses as set out below:

	2013 ($000)	2012 ($000)
Payable in less than one year	2,989	4,005
Payable in one to two years	3,552	7,617
Payable in two to five years	7,334	6,695
Payable in more than five years	-	-
Impact of discounting on provisions payable in cash at the borrowing rate of 5.22%	(1,510)	(2,209)
Total deferred consideration payable	**12,365**	**16,108**

In addition to the liabilities detailed above an additional $12,177,000 (2012: $12,177,000) consideration payable in shares. $3,898,063 is due for issue on 17 April 2014 and $6,967,937 is due for issue on 8 June 2014. The balance of $1,311,300 will be issued on the request of the vendors of PEG. These shares are not contingent on any future event and are therefore considered an equity item (see note 20).

The cash deferred consideration requires the conversion into cash of the EBIT underlying the earn-out payment prior to its payment date. To the extent this this has not achieved the earn-out is reduced by the cash shortfall.

The Group has estimated the fair value of this liability based on the anticipated future EBIT of each underlying business. This value has then been discounted back to present value using the Group's borrowing rate of 5.22%.

The Group has the option to settle 30% of the $5,021,000 payable to PEG in shares in TLA (NY) Inc. In accordance with the terms of the exchange Agreement, these shares can be exchanged for Ordinary Shares in the capital of TLA Worldwide plc at any time at the option of the vendors. These payments are made annually for the next five years.

	($000)
At 1 January 2012	**15,094**
Additional deferred consideration in the year	5,021
Settlement of deferred consideration	(4,572)
Unwinding of discount	566
At 31 December 2012	**16,108**
Additional deferred consideration in the year	-
Settlement of deferred consideration	(4,059)
Movement in fair value	(637)
Unwinding of discount	953
At 31 December 2013	**12,365**

18. Operating Leases

The Group's future minimum operating lease payments are as follows:

	2013 ($000)	2012 ($000)
Within one year	929	675
In the second to fifth years inclusive	2,510	1,239
After five years	184	-
Total	**3,623**	**1,914**

The above represents a number of office premises. During the year $0.8 million (2012: $0.4 million) was recognised as an expense in the income statement.

19. Share capital

The issued share capital of the Company and the changes during the year can be summarised as follows:

	Nominal value (£)	Nominal value ($)	Number
Balance at 1 January 2012	**1,277,220**	**1,984,928**	**63,800,990**
Issued on 11 November 2012 at 23p per share	220,573	350,710	11,028,634
Issued on 28 December 2012 at 20p per share	251,865	405,503	12,593,253
Balance at 31 December 2012	**1,749,658**	**2,741,141**	**87,422,877**
Issued on 28 May 2013 at 22.90p per share	1,965	2,971	98,259
Issued on 4 November 2013 at 28.83p per share	1,561	2,485	78,040
Balance at 31 December 2013	**1,753,184**	**2,746,597**	**87,599,176**

The Group settled fees in respect of International Sports Pty Limited supplying a director's services. On 28 May 2013 98,259 were issued at a price of 22.90p and on 4 November 2013 78,040 where issued at a price of 28.83p. These shares held a total nominal value of £3,527 ($5,456) with a premium of $64,384.

The Company has one class of ordinary shares, which carry no right to fixed income.

20. Equity

The Share Premium arises from capital raised through the issue of ordinary shares to the extent that the nominal value is exceeded by the proceeds of the issue.

Shares to be issued reflect deferred consideration payable in respect to acquisitions made in the period. This issue is not contingent on any future event and is therefore considered an equity item (see note 17).

	Share capital ($000)	Share premium ($000)	Shares to be issued ($000)	Foreign currency reserve ($000)	Retained earnings ($000)	Total ($000)
Balance at 31 January 2012	**1,985**	**16,262**	**10,866**	**174**	**(2,684)**	**26,603**
Total comprehensive income for period	-	-	-	(88)	(1,196)	**(1,284)**
Equity issued during the period	756	7,332	-	-	-	**8,088**
Equity costs charged during the period	-	(198)	-	-	-	**(198)**
Deferred consideration to be settled in equity	-	-	1,311	-	-	**1,311**
Balance at 31 December 2012	**2,741**	**23,396**	**12,177**	**86**	**(3,880)**	**34,520**
Total comprehensive income for period	-	-	-	350	151	**501**
Equity issued during the period	6	65	-	-	-	**71**
Balance at 31 December 2013	**2,747**	**23,461**	**12,177**	**436**	**(3,729)**	**34,216**

21. Group companies

The principal companies (all of which are wholly owned either directly or indirectly by TLA Worldwide PLC unless otherwise stated) in the Group are:

- TLA Acquisitions Limited, registered in England and Wales, acts as an intermediate holding company;
- TLA Acquisitions number two Limited, registered in England and Wales, acts as an intermediate holding company;
- The Legacy Agency Inc., incorporated under the laws of Delaware, United States of America, undertakes the business of Athlete Representation and Sports Marketing;
- TLA Americas Inc., incorporated under the laws of Delaware, United States of America, undertakes the business of Athlete Representation and Sports Marketing; and
- The Legacy Agency (NY) Inc ("TLA NY"). incorporated under the laws of Delaware, United States of America, undertakes the business of Athlete Representation and Sports Marketing. The Company, indirectly owns, 70% of TLA NY, The balance is held by the vendors of PEG who can exchange their holding into shares in the Company as set out in note 17. The shares carry no right to dividends and the Company has the right to call them in certain circumstances for it shares.

22. Notes of Cash flow Statement

	Year ended 31 December 2013 ($000)	Year ended 31 December 2012 ($000)
Operating profit for the period	1,434	1,204
ADJUSTMENTS FOR		
Amortisation of intangible assets	5,020	4,404
Depreciation of tangible assets	33	8
Operating cash flows before movements in working capital	**6,487**	**5,616**
(Increase)/ decrease in receivables	(4,125)	268
Increase/ (decrease) in payables	1,317	(2,177)
Cash generated by operations	**3,679**	**3,707**
Income taxes paid	(707)	(1,197)
Foreign exchange gains/(losses)	350	(89)
Net cash from operating activities	**3,322**	**2,421**
CASH AND CASH EQUIVALENTS		
Cash and bank balances	4,429	4,124

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets is approximately equal to their fair value.

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets is approximately equal to their fair value.

23. Capital commitments

The Group had no commitments to purchase property, plant and equipment (2012: none).

24. Related Parties

Greg Genske is deemed to be a related party as a beneficiary of the agreement relating to the acquisition of LS Legacy Sports LLC ("LS Legacy"). As at 31 December 2013 he owed $84,000 by the company (2012: the Group owed Mr Genske $3,674). This was fully repaid on 20 March 2014.

LS Legacy paid the Group $335,000 for services during 2013 (2012: nil). These related to assisting in the collector of outstanding receivables.

Jordan Bazant is deemed to be a related party as a beneficiary of the agreement relating to the acquisition of Goal Marketing, LLC, Goal Marketing II, LLC and The Agency Sports Management, LLC. As at 31 December 2013 a loan of $100,000 from the Group was outstanding (31 December 2012: $100,000). The loan is repayable from Jordan Bazant's future earn-out consideration. This loan was repaid on 10 March 2014.

25. Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial information in conformity with IFRS requires the Group to make certain judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. These 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 under different assumptions or conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised 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. The Directors consider that the most significant area of accounting estimate relates to trade receivables, where clients have not settled in accordance with standard terms and conditions, and, the Directors have evaluated each balance receivable and made provisions for doubtful debts where appropriate, in accordance with experience of the normal basis on which such balances are settled.

CRITICAL JUDGEMENTS IN APPLYING THE GROUP'S ACCOUNTING POLICIES

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Impairment of goodwill

The carrying amount of goodwill is $29.0 million. The directors are confident that the carrying amount of goodwill is fairly stated, and have carried out an impairment review (note 10).

Other intangible assets

The valuation of client relationships and client contracts is based on key assumptions, which the Directors have assessed, and are satisfied that the carrying value of these assets is fairly stated (see note 11). An impairment review has been carried out.

Fair value on acquisition

On acquisition management are required by IFRS3 to assess the fair value of assets and liabilities acquired. These assets and liabilities are often held at historical cost, which in some instances does not equal fair value.

The Directors have assessed the fair value of assets and liabilities in respect of the acquisition of the trade and certain assets.

Deferred consideration

The Directors have provided an estimate of the amount payable in respect of deferred contingent consideration. The valuation of this liability is based on future earnings of each acquired business. Management apply judgement in estimating the anticipated future cash flows and subsequent amounts payable. See note 18.

Recognition of revenue

Revenue is measured as the fair value of the consideration received or receivable and comprises amounts billed to clients in respect of fees earned and commission-based income and is stated exclusive of any relevant sales taxes. Revenue is recognised on an accruals basis in line with the provision of relevant services under the terms of the contract, provided that it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably.

Trade receivables

The Group's customers include athletes, talent and large corporations. Whilst dependant on it most high profile clients the board believe that it has structures in place to mitigate the risk of non-payment. In addition the regulatory framework around Major League Baseball in particular underpins this confidence. Historically there have been few instances of non-payment with late payers settling outstanding balances in an acceptable time frame. The enlarged group has over 440 clients which spread the risk going forward. It is a focus of the Board to closely monitor receivables as part of its KPIs.

26. Financial risk management objectives

CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from 2012.

The capital structure of the Group consists of net debt, which includes the borrowings disclosed in note 16 after deducting cash and cash equivalents, and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in note 21. The Group is not subject to any externally imposed capital requirements. Debt is defined as long- and short-term borrowings (excluding derivatives) as detailed in note 16. Equity includes all capital and reserves of the Group that are managed as capital.

SIGNIFICANT ACCOUNTING POLICIES

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the basis of measurement and the bases for recognition of income and expenses) for each class of financial asset, financial liability and equity instrument are disclosed within the principal accounting policies section of this report.

CATEGORIES OF FINANCIAL INSTRUMENTS

Financial liabilities and assets included in the balance sheet are as follows:

	2013 ($000)	2012 ($000)
FINANCIAL ASSETS		
Cash and bank balances	4,429	4,124
Trade receivables	5,222	2,586
Other debtors	1,526	632
Prepayments	715	120
Current tax asset	360	360
Total	**12,252**	**7,822**
FINANCIAL LIABILITIES		
Borrowings	10,248	7,706
Deferred consideration	12,365	16,108
Derivative financial instruments	63	129
Trade payables	1,479	933
Accruals and other amounts payable	1,569	798
Current tax payable	827	139
Total	**26,551**	**25,813**

All of the Group's financial assets and liabilities, excluding derivative financial instruments, are held at amortised cost. The directors are of the opinion that there is no material difference between the book value and the fair value of any of these assets or liabilities.

FINANCIAL RISK MANAGEMENT OBJECTIVES

The Group's international operations expose it to a number of risks that include the effect of changes in foreign currency exchange rates, credit, and interest rates. As the majority of income and expenditure is in USD the main exchange risk is translational in effect to the earnings and dividends granted, when related to the share price in GBP. The Group holds external credit, which is discussed below.

Interest rate risk

The Group finances its activities through a mixture of retained cash, operating cash flow, bank debt and equity finance. The Group monitors its exposure to interest rate risk in association with the bank debt and when investing its cash resources and has taken the decision to fix its rates at 5.22% for a period of five years on 16 December 2012. Given this interest rate swap, interest rate fluctuations are not currently seen as sensitivity.

Credit risk

The Group's customers include athletes, talent and large corporations. Whilst dependant on it most high profile clients the board believe that it has structures in place to mitigate the risk of non-payment. In addition the regulatory framework around Major League Baseball in particular underpins this confidence. Historically there have been few instances of non-payment with late payers settling outstanding balances in an acceptable time frame.

The enlarged group has over 440 clients which spread the risk going forward. It is a focus of the Board to closely monitor receivables as part of its KPIs.

Liquidity risk

The Group has continued to maintain positive cash resources well above working capital requirements, providing a strong balance sheet visible to the Group's customer base, but also ensuring sufficient available funds for operations, potential expansion or the potential financing of small acquisitions.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

	Less than 1 month	1–3 months	3 months to 1 year	1–5 years	Impact of discounting	Total
31 December 2013						
Borrowings	–	250	750	9,400	(152)	**10,248**
Deferred consideration	–	1,030	1,959	10,890	(1,514)	**12,365**
Trade payables	1,479	–	–	–	–	**1,479**
Accruals	1,419	–	–	150	–	**1,569**
	2,898	1,280	2,709	20,440	(1,666)	**25,661**
31 December 2012						
Borrowings	–	500	1,407	5,799	–	**7,706**
Deferred consideration	–	–	4,005	14,312	(2,209)	**16,108**
Trade payables	879	–	–	–	–	**879**
Accruals	782	–	–	–	–	**782**
	1,661	**500**	**5,412**	**20,111**	**(2,209)**	**25,475**

Currency risk

The business principally trades in US dollars and whilst currency risk does exist, the impact is minimal.

27. Share based payments

EQUITY-SETTLED SHARE OPTION SCHEME

In December 2013 the Company entered into a Long Term Incentive Scheme ("LTIP") for certain employees of the Group. The LTIP is split into three tranches, exercisable when the share price reaches £0.40, £0.50 and £0.60 for a three month period respectively.

The vesting period is five years from the Company's IPO date of 8 December 2011. If the awards remain unexercised after this period the options expire. Options are forfeited if the employee leaves the Group before the options vest.

Details of the share options outstanding during the year are as follows.

	No. of share options
Outstanding at 1 January 2013	**–**
Granted during the period	15,893,752
Forfeited during the period	–
Exercised during the period	–
Expired during the period	–
Outstanding at 31 December 2013	**15,893,752**
Exercisable at the end of the period	–

The options outstanding at 31 December 2013 had a weighted average exercise price of £0.46 and a weighted average remaining contractual life of 3 year. All options were granted on 19 December 2013. The aggregate of the estimated fair values of the options granted on those dates is $0.4 million. The inputs into the Black-Scholes model are as follows:

Weighted average exercise price	£0.46
Expected volatility	30.0%
Expected life	3 years
Risk-free rate	4.3%
Expected dividend yields	2.7%

Expected volatility was determined by calculating the historical volatility of the group's share price over the previous 3 years. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

The group recognised total expenses of $nil (2012: $Nil) related to equity-settled share-based payment transactions.

Independent auditor's report to the members of TLA Worldwide PLC

IAN SMITH
Senior statutory auditor for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Gatwick, 29 April 2014

We have audited the Parent Company financial statements of TLA Worldwide plc for the year ended 31 December 2013, which comprise Parent Company Balance Sheet and the related notes 1 to 10. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the Parent Company financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the Parent Company financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Parent Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the Parent Company financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2013;
- 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the Parent Company financial statements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company 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.

Other matter

We have reported separately on the group financial statements of TLA Worldwide plc for the year ended 31 December 2013.

Company balance sheet

For the year ended 31 December 2013

	Note	Year ended 31 December 2013 ($000)	Year ended 31 December 2012 ($000)
FIXED ASSETS			
Investments	2	16,553	16,553
Loan to subsidiary undertakings		22,946	20,932
		39,499	**37,485**
CURRENT ASSETS			
Debtors: Amounts falling due within one year	3	165	110
Cash at bank and in hand		840	223
		1,005	**333**
Creditors: Amounts falling due within one year	4	(180)	(260)
Net current assets		**825**	**73**
Total assets less current liabilities		**40,324**	**37,558**
Net assets		**40,324**	**37,558**
CAPITAL AND RESERVES			
Called-up Share Capital	5	2,747	2,741
Share Premium account	6	23,461	23,396
Shares to be issued	6	12,177	12,177
Profit and loss account	6	317	(1,739)
Foreign currency reserve		1,622	983
Shareholders' funds		**40,324**	**37,558**

These financial statements of TLA Worldwide plc, registration number 7741649, were approved by the Board of Directors and authorised for issue on 29 April 2014. They are signed on its behalf by: **Michael Principe (Chief Executive), 29 April 2014.**

Notes to the parent company financial statements

1. Accounting policies

BASIS OF PREPARATION

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards and have been prepared under the historical costs conventions and compliance with UK Generally Accepted Accounting Standards.

As permitted by Section 408 of the Companies Act 2006, the Company has elected not to present its own profit and loss account for the year. The Company's profit and loss account was approved by the Board on 29 April 2014. The Company reported a loss for the year ended 31 December 2013 of $2.8 million. The principal accounting policies of the Company are set out below.

INVESTMENTS

Fixed asset investments are shown at cost, less provision for impairment.

CLASSIFICATION OF FINANCIAL INSTRUMENTS ISSUED BY THE COMPANY

Financial instruments issued by the Company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

- They include no contractual obligations upon the Company to deliver cash or other financial assets or exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- Where the instrument will or may be settled in the Company's equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as financial liability. Where the instruments for call up share capital and share premium account excludes amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part with as part of finance expenses. Finance payments associated with financial instruments that are classified in equity are dividends and are recorded directly in equity.

TAXATION

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity in which case it is recognised in equity.

Current tax is the expected on all tax payable on the taxable income for the year, using tax rates enacted or subsequently enacted at the balance sheet date, and any adjustment to tax payable in respect of the previous year.

Deferred tax is recognised on all timing difference where the transactions or events that give the Company an obligation to pay more tax in the future, or a right to pay less in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or subsequently enacted by the balance sheet date.

FOREIGN CURRENCY

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or, if hedged, at the forward contract rate. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date or, if appropriate, at the forward contract rate.

2. Fixed assets investments

COST & CARRYING VALUE	($000)
At 1 January 2012	**15,977**
Additions	576
At 31 December 2012 & 31 December 2013	**16,553**

At 31 December 2013 the Company held either directly or indirectly, 20% or more of the allotted share capital of the following companies.

	Class of share	By parent	By Group	Nature of Business
TLA Acquisitions Limited	Ordinary	100%	100%	Intermediate holding company
The Legacy Agency Inc.	Ordinary	100%	100%	Undertakes the business of Athlete Management and sports marketing
TLA Acquisitions (number two) Limited	Ordinary	100%	100%	Intermediate holding company
TLA Americas Inc.	Ordinary	100%	100%	Intermediate holding company
The Legacy Agency (NY) Inc.	Ordinary	70%	70%	Undertakes the business of Athlete Management

The Company, indirectly owns, 70% of TLA NY. The balance is held by the vendors of PEG who can exchange their holding into shares in the Company as set out in note 17 of the consolidated financial statements. The shares carry no right to dividends and the Company has the right to call them in certain circumstances for it shares.

3. Debtors

AMOUNTS FALLING DUE WITHIN ONE YEAR	2013 ($000)	2012 ($000)
Other debtors	165	80
Prepayments	-	30
	165	**110**

4. Creditors

AMOUNTS FALLING DUE WITHIN ONE YEAR	2013 ($000)	2012 ($000)
Trade creditors	30	109
Accruals and deferred income	150	151
	180	**260**

5. Called up share capital

The issued share capital of the Company and the changes during the year can be summarised as follows:

	Nominal value (£)	Nominal value ($)	Number
Balance at 1 January 2012	**1,277,220**	**1,984,928**	**63,800,990**
Issued on 11 November 2012 at 23p per share	220,573	350,710	11,028,634
Issued on 28 December 2012 at 20p per share	251,865	405,503	12,593,253
Balance at 31 December 2012	**1,749,658**	**2,741,141**	**87,422,877**
Issued on 28 May 2013 at 22.90p per share	1,965	2,971	98,259
Issued on 4 November 2013 at 28.83p per share	1,561	2,485	78,040
Balance at 31 December 2013	**1,753,184**	**2,746,597**	**87,599,176**

6. Reserves and reconciliation of shareholders' funds

	Share capital ($000)	Share premium ($000)	Shares to be issued ($000)	Foreign currency reserve ($000)	Retained earnings ($000)	Total ($000)
Balance at 31 January 2012	**1,985**	**16,262**	**10,866**	**–**	**(1,716)**	**27,397**
Total comprehensive income for period	–	–	–	983	(23)	**960**
Equity issued during the period	756	7,332	–	–	–	**8,088**
Equity costs charged during the period	–	(198)	–	–	–	**(198)**
Deferred consideration to be settled in equity	–	–	1,311	–	–	**1,311**
Balance at 31 December 2012	**2,741**	**23,396**	**12,177**	**983**	**(1,739)**	**37,558**
Total comprehensive income for period	–	–	–	639	2,877	**3,516**
Equity issued during the period	6	65	–	–	–	**71**
Dividend paid	–	–	–	–	(821)	**(821)**
Balance at 31 December 2013	**2,747**	**23,461**	**12,177**	**1,622**	**317**	**40,324**

The Share Premium arises from capital raised through the issue of ordinary shares to the extent that the nominal value is exceeded by the proceeds of the issue.

7. Related parties

The Company is exempt from the requirement to FRS 8 to disclose transactions with other 100% members of the TLA Worldwide plc group of companies.

Transactions with other related parties are disclosed in note 25 to the consolidated financial statements.

8. Financial risk management objectives and policies

Details of the Group policies are set out in note 27 to the consolidated financial statements

9. Auditor's remuneration

Details of remuneration paid to the auditors by the Group are shown in note 5 of the consolidated financial statements.

10. Directors and employees

The average monthly number of employees was:

	2013 (number)	2012 (number)
Management	1	1

Their aggregate remuneration comprised:

	2013 ($000)	2012 ($000)
Wages & salaries	164	166
Social security costs	23	21
	187	**187**

All directors of the Group are remunerated by TLA INC. See note 6 of the Group accounts for amounts paid to key personnel.

Lolo Jones

Olympic track & field and bobsled athlete

Shareholder information

Annual General Meeting: 13th June 2014
Website: tlaww-plc.com

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Gatwick

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