2014 Annual Report & Financial Statements

Front cover: USA Eagles vs New Zealand All Blacks – 1 November 2014

Annual Report and financial statements
year ended 31 December 2014

2014 Annual Report & Financial Statements

Head Office:

New York
25th floor
1500 Broadway
New York
NY 10036

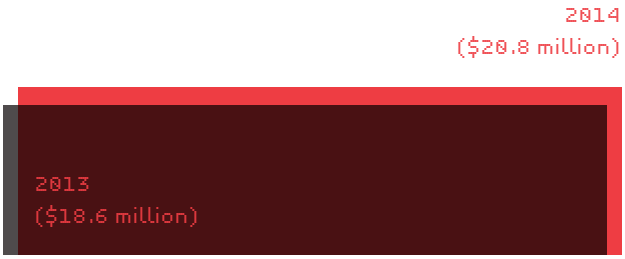
www.tlaww-plc.com

CONTENTS

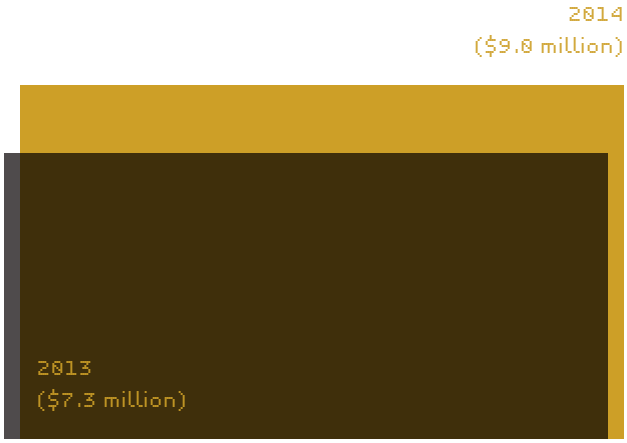
Financial highlights	4-7
Operational highlights	8-10
Strategic report	12-21
Chairman's statement	12-14
Chief Executive's review	15-16
Chief Financial Officer's review	18-21
Spotlight: All Blacks	22-23
Board of Directors	24-25
Directors' report	26-27
Directors' remuneration report	30-33
Corporate governance report	34-37
Directors' responsibilities statement	38
Independent auditor's report	39-40
Consolidated financial statements	41-45
Principal accounting policies	46
Notes to the consolidated financial statements	52-69
Company balance sheet	70
Notes to the parent company financial statements	71-74
Shareholder information	75

Financial highlights

Revenue increased by 12% to $20.8 million driven by organic growth and a strong performance by our sports marketing division



Headline EBITDA[1] increased by 24% to $9.0 million



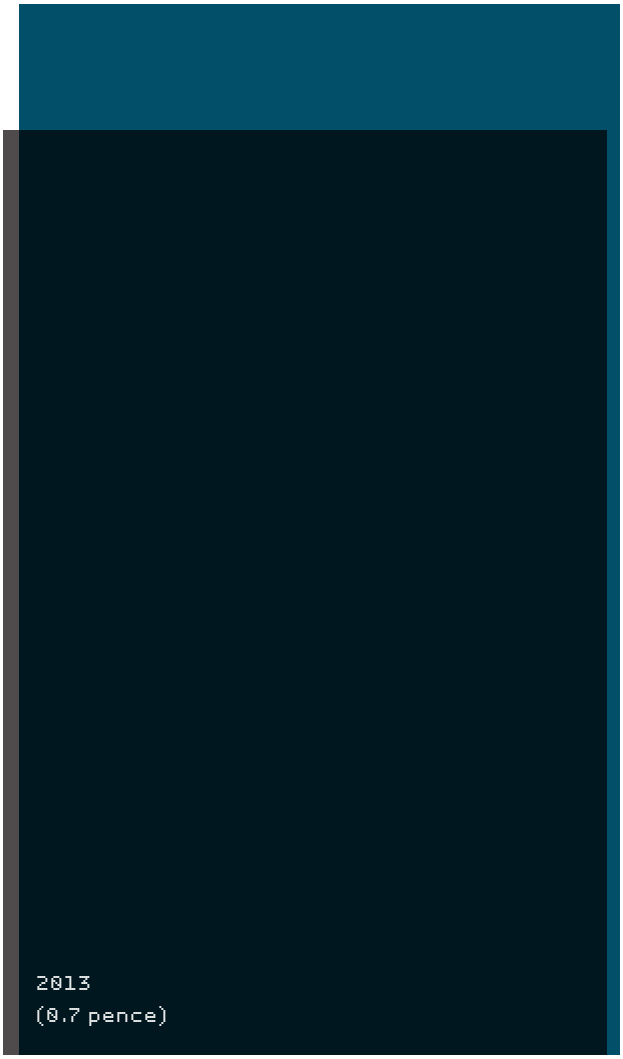
Headline EBITDA margin[2] improved to 43%

Headline profit before tax[3] increased by 26% to $8.6 million

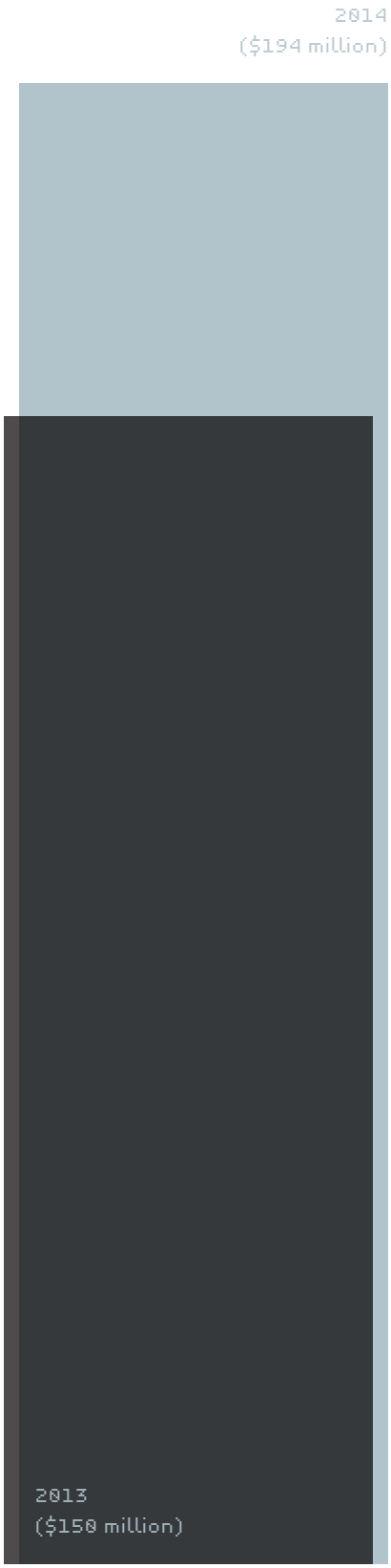
Headline diluted EPS[4] growth of 14.9% to 4.76 cents

Matt Every
Professional golfer

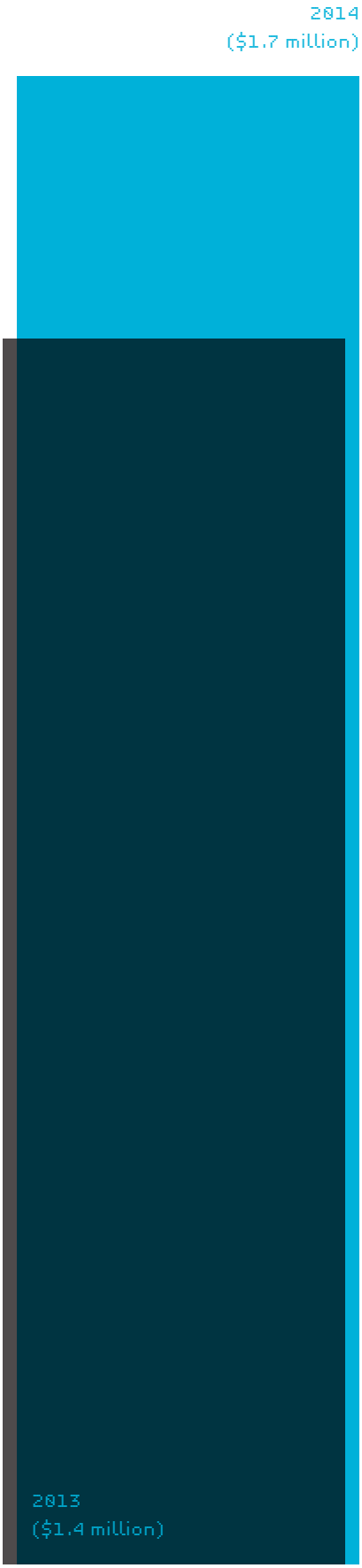
Final dividend raised by 14.3% to 0.8 pence



$194 million of off-season contracts negotiated in 2014, a 29% increase



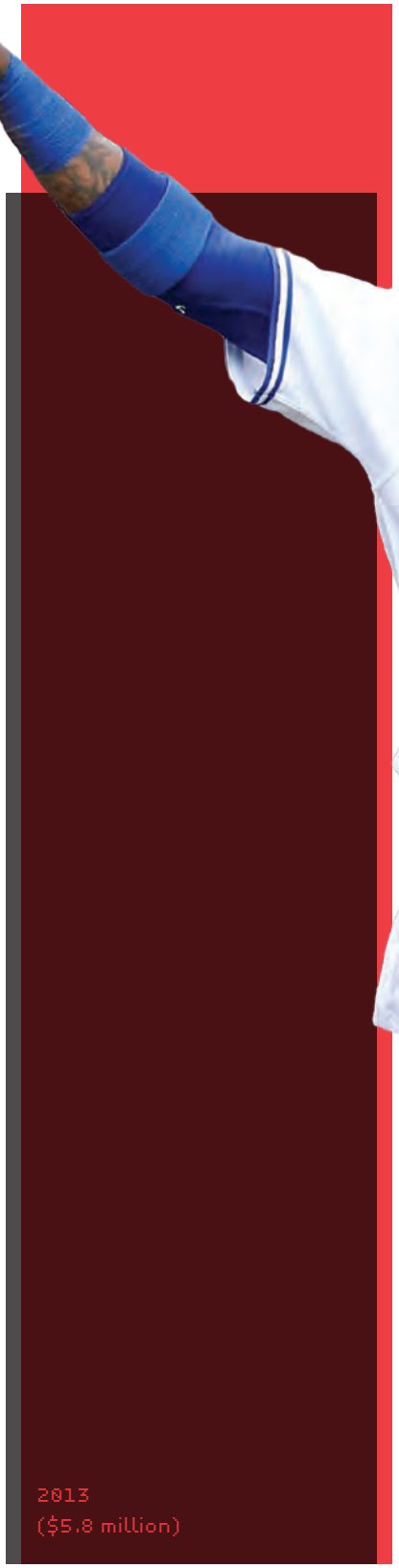
Statutory operating profit of $1.7 million



Statutory profit before tax of $0.4 million

Statutory EPS of $0.01 cents

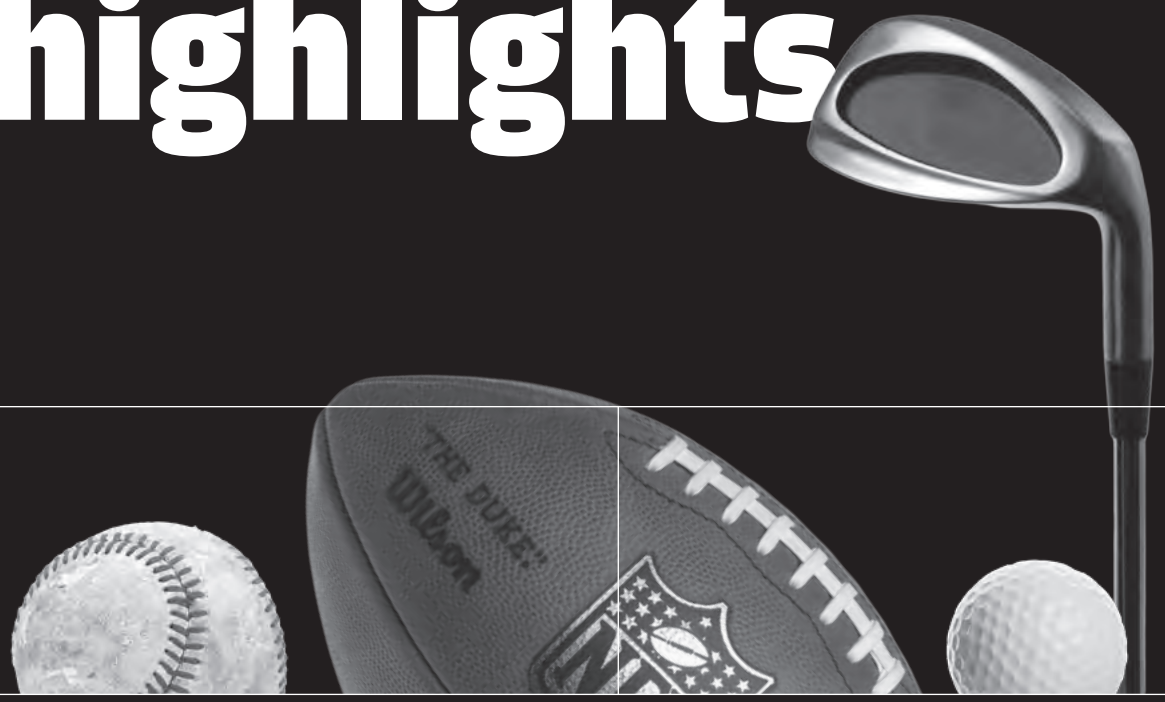
Net debt was $6.6 million as at 31 December 2014

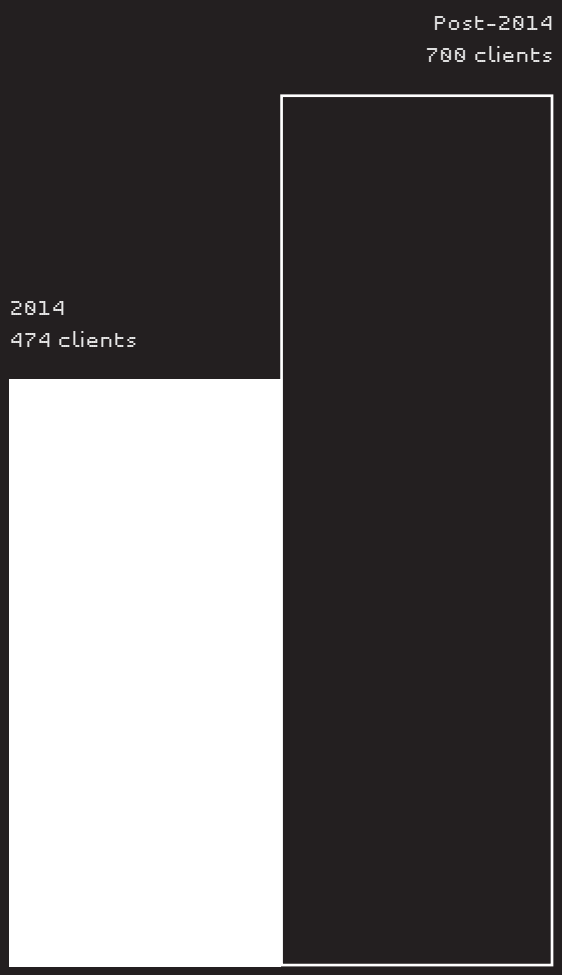


Jose Reyes
Shortstop, Toronto Blue Jays

1. Headline EBITDA is defined as statutory operating profit adjusted to add back depreciation, amortisation of acquired intangible assets and any acquisition related charges, share-based payment charges and exceptional items
2. Headline EBITDA divided by revenue
3. Headline EBITDA after bank interest and depreciation
4. Headline earnings per share is defined as headline profit for the year divided by the weighted average number of ordinary shares in issue during the year. Headline profit for the year is defined as profit for the year 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, unwinding of discount on deferred consideration and exceptional items.

Operational highlights

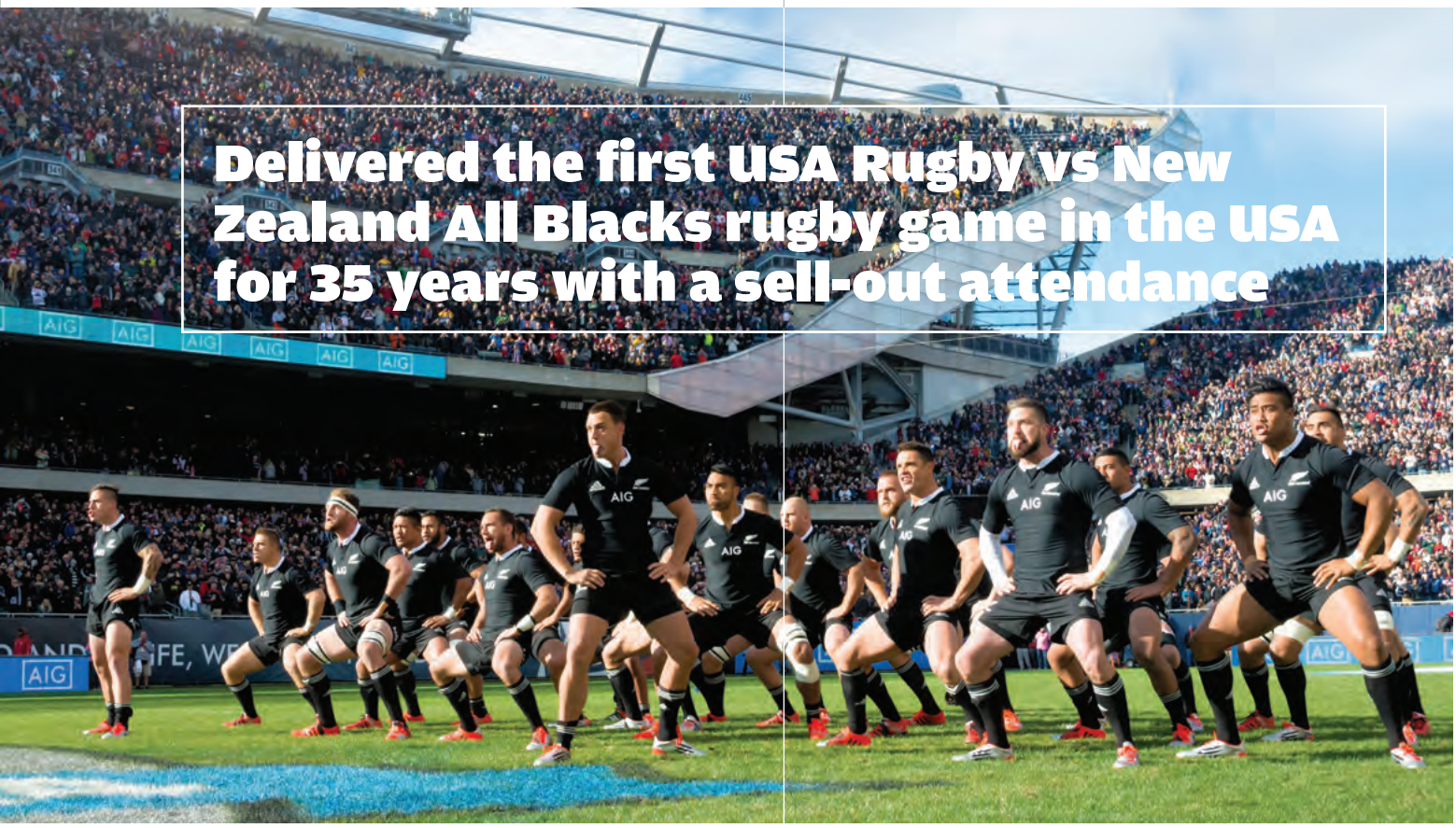




Total client base rose by 8% to 474 at year end and to more than 700 following the acquisition of Elite Sports Properties (ESP) for up to $19.5 million post-year end

Sports marketing Headline EBITDA increased organically by 80% to $4.6 million, reflecting our continued investment in the business

Baseball representation Headline EBITDA rose by 17% to $7.4 million



Delivered the first USA Rugby vs New Zealand All Blacks rugby game in the USA for 35 years with a sell-out attendance

Secured four-year deal to co-promote the International Champions Cup in Australia from July 2015, with the first tournament featuring clubs Manchester City, Real Madrid and AS Roma

George Springer
Outfielder, Houston Astros

Major League Baseball (MLB) clients now 83 (2013: 64), an increase of 30%

In March 2015, acquired ESP, an Australian and UK sports marketing agency, adding 250 clients and many sports stars including Sir Chris Hoy and Becky Adlington, as well as the Cricket World Cup 2015 and the Rugby World Cup 2015

Ryan Tannehill
Quarterback, Miami Dolphins

STRATEGIC REPORT

CHAIRMAN'S STATEMENT

Bart Campbell, Chairman
13 April 2015

Overview and principal activity

Our strategy to invest in the organic expansion of the business and in people has enabled the Group to deliver an excellent financial and operational performance in 2014. Revenues increased by 12% while headline profit before tax rose by 26% year on year. This growth was entirely organic and driven mainly by a stellar performance from the sports marketing segment last year.

Putting these results in a longer historical context, since joining AIM in 2011 TLA has grown its revenues and Headline EBITDA by a compound average growth rate of 17.4% and 16.8% respectively.

Group Headline EBITDA margin improved by four percentage points to 43% as the baseball representation business increased its profit contribution, despite a modest increase in revenues. The sports marketing business saw strong across-the-board growth, in particular benefitting from our events division, which successfully delivered the USA Eagles vs New Zealand All Blacks rugby game in November with a sell-out attendance at the Soldier Field stadium in Chicago. Statutory operating profit improved by 19% to $1.7m.

The Group continues to enjoy excellent forward visibility with $194 million of off-season contracts negotiated in 2014.

Major corporate expansion

Since the year end, we have acquired the business and assets of Elite Sports Properties Pty Ltd ("ESP"), an Australian and UK-focused business, for up to $19.5 million. The deal is part of the Group's strategy to enhance its organic growth prospects with selected acquisitions that complement TLA's activities and are accretive to earnings.

Prior to the deal, we had already started to develop a foothold in Australia by bringing the world-class International Champions Cup tournament, which features some of the world's top football teams, to Melbourne. We have secured the rights to benefit from the annual tournament, being launched for the first time in Australia, for a total of four years. It will be broadcast live to a global audience by our partner Nine Live, part of a major Australian media group, and in a further 155 countries.

ESP will allow us to further strengthen our position within the Australian sports market with its ongoing relationships with talent, right holders and sponsors. It will also give us a presence in the UK from which to build.

HIGHLIGHTS

12%
increased revenues

26%
increased year-on-year headline profit

$194 million
off-season contracts negotiated in 2014

We expect to deliver another year of double-digit growth in 2015

John Senden
Professional golfer

People

People are at the core of our business as it continues to grow successfully and we will continue to add and develop this key resource. This investment is fundamental to our business and is no different from investment in manufacturing capacity to increase an industrial business's ability to produce more goods.

It was with sadness that I had to report the passing of Andy Wilson on 15 May 2014. Andy had been a member of the board since 19 March 2012 and his engaging contribution will be missed by all of us.

We appointed Ian Robinson to our board on 25 May 2014. Ian is currently non-executive chairman of Jaywing Plc, an AIM-listed digital marketing and consulting business, and a non-executive director of Gusbourne Plc, an AIM-listed English sparkling-wine business. Previously he was chief financial officer of Carlisle Group's UK staffing and facilities services operations. He has held other senior financial appointments both in the UK and overseas. He is a Fellow of the Institute of Chartered Accountants in England & Wales, having trained with Peat, Marwick, Mitchell & Co (now KPMG) in London. We welcome Ian to our board and his addition will be invaluable as we move forward.

Outlook

The Group delivered strong growth in 2014, all organic. Taking into account our previous year's results, it means that we have grown our revenues and Headline EBITDA at a compound average growth rate of 17.4% and 16.8% respectively since joining AIM in 2011.

Trading in the current year is in line with management expectations and we continue to experience good business momentum. In addition, the sports marketing industry continues to experience excellent long-term fundamentals as global spending on sports increases at above GDP growth rates, with media rights seeing significant growth, of which our clients are direct beneficiaries.

As a result, we expect to deliver another year of double-digit growth in 2015, underpinned by the following factors:

- Good long-term revenue visibility with $194 million of off-season contracts negotiated in 2014
- First-time revenues from the launch of the annual ICC football tournament in Australia from July this year
- Maiden contribution from the acquisition of ESP, which has been successfully integrated into the Group and is expected to be earnings enhancing from this year

Given our bright prospects, the Board looks to the future with confidence.

Developing our businesses by geographic and service expansion

STRATEGIC REPORT

CHIEF EXECUTIVE'S REVIEW

Michael Principe,
Group Chief Executive
13 April 2015

Baseball representation

The baseball representation business, which derives revenues through long-term relationships with many established and young players, had a stable year. Headline EBITDA increased by 17% to $7.4 million (2013: $6.3 million) on a 1% increase in revenues to $13.2 million in 2014 (2013: $13.1 million).

The increase in Headline EBITDA was attributable to tight cost control, with costs down by 15% in the year. Revenues are expected to improve going forward as we have added 19 MLB players to our roster, compared with a year ago.

A total of $194 million worth of contracts were signed on behalf of player-clients during the 2014 off-season (2013: $150 million) – an increase of 29.3%.

Thirteen new baseball players were added to our client list in 2014 bringing the total baseball client list to 267 (2013: 254).

The potential of our roster of younger players who have yet to generate significant revenues was validated when three of our signings were named among the game's top 12 prospects ("Sports on Earth" – September 2014).

Our roster of potential new stars also continued to grow as seven Minor League clients were called up to Major League teams during the year. This means that after completing their initial three-year service period they become eligible for market-related salaries, which we assist them to negotiate in return for long-term fees.

We now have 83 MLB clients (2013: 64) and 184 Minor League baseball clients (2013: 190), having added 12 new MLB clients and with seven moving up from our MiLB roster, to the majors.

HIGHLIGHTS

17%
increased headline EBITDA in baseball representation

3
baseball signings named among the game's top 12 prospects

80%
organic headline EBITDA growth in sports marketing

Sports marketing

The Sports Marketing division had a strong year with 80% organic Headline EBITDA growth from $2.5 million to $4.6 million. Revenues increased to $7.7 million (2013: $5.5 million). Its client base grew by 11% to 207 (2013: 186). We organised the first ever rugby game between the USA Eagles and New Zealand All Blacks on American soil since the game turned professional in 1995. It was played at the iconic Soldier Field, the home of the Chicago Bears. We expect to promote and deliver further rugby games of this type in the future.

Our golf business, which includes top ten ranked Jim Furyk, continued to perform well with 12 PGA clients (2013:12) achieving 36 top ten finishes (2013: 25), including four wins. This continued performance enables us to negotiate better sponsorship deals for our golf clients.

Talent marketing continues its good corporate relationships by agreeing deals with Hublot, Pepsi, Proctor & Gamble and Unilever.

Coaching and broadcasting grew its client base to 115, a 14% overall increase on 2013.

The business continues to invest into the future by adding young coaches to its books.

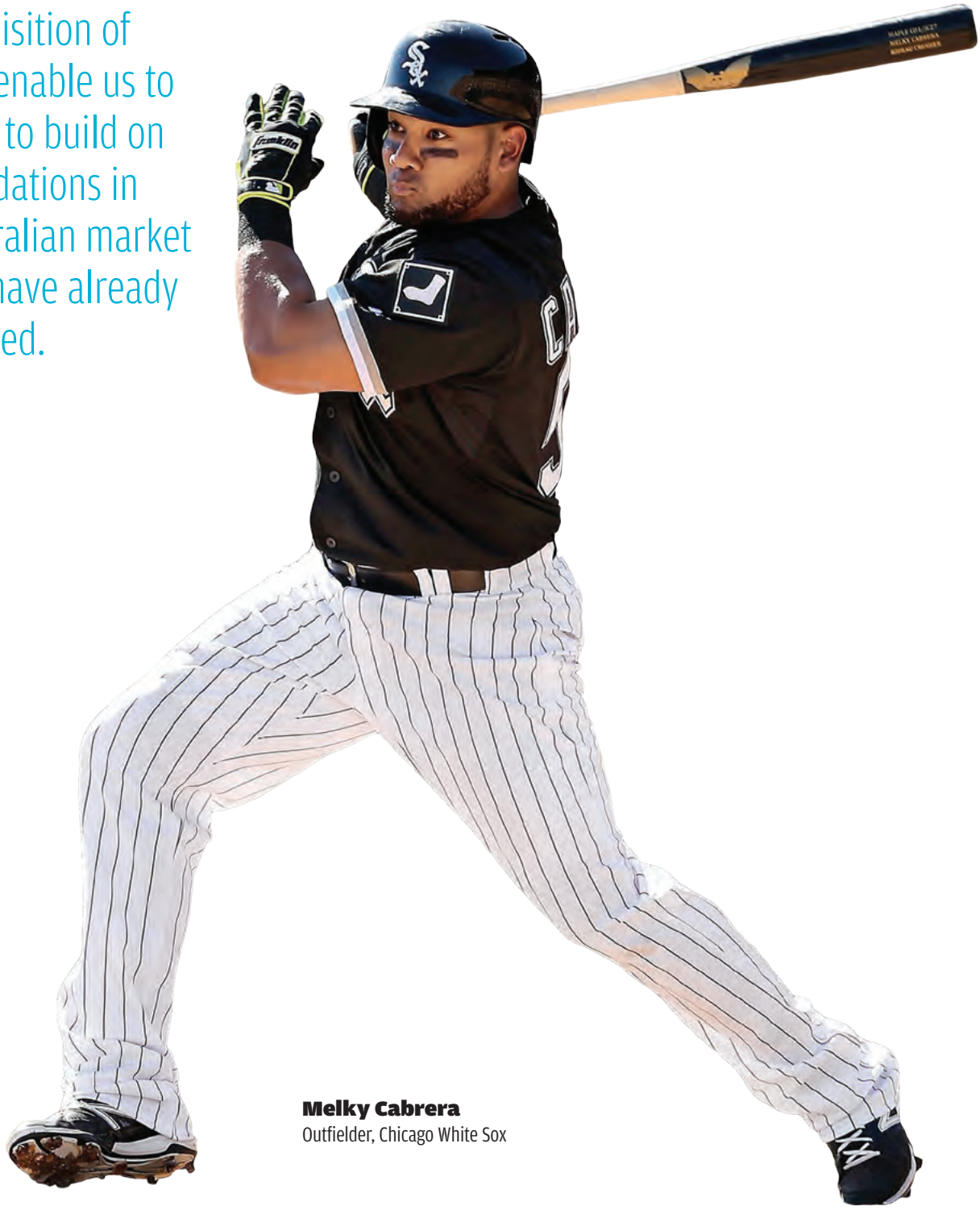
New business expansion

A rights sales business was also established with some key hires during the last quarter of 2014. This business focuses on the sale of perimeter advertising in sports venues and selling team sponsorships. It is a good fit with our expanding event ownership and creation business. The business already generates some revenues and is expected to progress further during 2015. We expect to make further investment into this area to ensure it has the resources to grow.

As mentioned above, the acquisition of ESP will enable us to continue to build on the foundations in the Australian market that we have already established. ESP has 250 clients and offices in Melbourne, Sydney, Adelaide and Perth in Australia; Largs, Scotland; and Richmond, London. The acquisition provides us with a stronger presence in Australia, the world's fourth largest sport market. This will enhance the platform that we have already established there as well as give us a UK trading presence, coupled with excellent management teams in both markets.

The teams for the first International Champions Cup tournament will be Real Madrid, Manchester City and AS Roma and the three games will be played 18-24 July in Melbourne. The first tournament has partnered with the Victorian Government. TLA has the rights to stage and deliver the tournament annually until 2018.

The acquisition of ESP will enable us to continue to build on the foundations in the Australian market that we have already established.



Melky Cabrera
Outfielder, Chicago White Sox

Kerri Walsh Jennings
Olympic volleyball 3-time gold medalist

STRATEGIC REPORT

CHIEF FINANICAL OFFICER'S REVIEW

Donald Malter,
Chief financial officer
13 April 2015

This review covers the year ended 31 December 2014. For this year the Group reported a statutory profit before tax of $0.4 million (2013: profit of $0.1 million). The performance at the operating level, before interest, tax, depreciation, amortisation and exceptional charges showed a Headline EBITDA of $9.0 million (2013: $7.3 million).

Headline results

	Year ended 31 December 2014 ($000)	Year ended 31 December 2013 ($000)	% Change
Revenue	20,816	18,605	+11.9
Gross profit	**20,791**	**17,972**	**+15.7**
Headline EBITDA	**9,021**	**7,269**	**+24.1**
Headline EBITDA margin	43.3%	39.1%	+4.2pp
Headline profit before tax	**8,567**	**6,826**	**+25.5**
Headline diluted earnings per share (cents)	4.76	4.14	+14.9

Cash balances as at 31 December 2014 of $5.9 million (2013: $4.4 million) and net debt of $6.6 million (2013: $5.8m). The Group's receivable days have increased on last year and as a KPI this increase has be reviewed and steps taken to reduce the debtors days going forward.

Statutory results

	Year ended 31 December 2014 ($000)	Year ended 31 December 2013 ($000)	% Change
Revenue	20,816	18,605	+11.9
Operating profit	1,704	1,434	+18.8
Statutory profit before tax	419	50	+740.0
Statutory diluted earnings per share (cents)	0.01	0.77	-98.7

TLA segments its operations into baseball representation and Sports Marketing as follows:

Year ended 31 December 2014	Baseball Representation ($000)	Sports Marketing ($000)	Unallocated ($000)	Total ($000)
Revenues	13,155	7,661	–	20,816
Cost of sales	(25)	–	–	(25)
Gross profit	**13,130**	**7,661**	–	**20,791**
Operating expenses excluding depreciation, amortisation, share-based payments and exceptional items	(5,725)	(3,096)	(2,949)	(11,770)
Headline EBITDA	**7,405**	**4,565**	**(2,949)**	**9,021**
Amortisation of intangibles arising on acquisition	(3,477)	(1,207)	–	(4,684)
Deprecation	(10)	(3)	(47)	(60)
Exceptional items and acquisition related costs	(184)	(250)	(717)	(1,151)
Share-based payment	–	–	(1,422)	(1,422)
Operating profit/(loss)	**3,734**	**3,105**	**(5,135)**	**1,704**
Finance costs				(1,285)
Profit before tax				**419**
Tax				(402)
Profit for the year				**17**

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)
Headline EBITDA	**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 year				**973**

Headline divisional performance

BASEBALL REPRESENTATION

	2014 $000	2013 $000	% Change
Revenue	13,155	13,081	+0.6
Headline EBITDA	7,405	6,342	+16.8
Headline EBITDA Margin	56.3%	48.5%	+7.8pp
Operating profit	3,734	2,572	+45.2

Trading for the year ended 31 December 2014 saw $13.2 million of revenue, a Headline EBITDA of $7.4 million and a statutory operating profit of $3.7 million after accounting for the amortisation of acquired intangibles.

SPORTS MARKETING

	2014 $000	2013 $000	% Change
Revenues	7,661	5,524	+38.7
Headline EBITDA	4,565	2,532	+80.3
Headline EBITDA Margin	59.6%	45.8%	+13.8pp
Operating profit	3,105	1,267	+145.1

Trading for the year ended 31 December 2014 showed revenue of $7.7 million, Headline EBITDA of $4.6 million and operating profit of $3.1 million. The increase in EBITDA margin is due to the increased profitability of the events and media businesses that the Group invested in during the year.

Cash flow and banking arrangements

Cash generated from operating activities for the year ended 31 December 2014 was $3.0 million (2013: $3.3 million). Cash as at 31 December 2014 was $5.9 million (2013: $4.4 million) and net debt was $6.6 million (2013: $5.8 million).

The Group has an outstanding term loan of $6.0 million and a revolver facility of $7.0 million of which $6.6 million was drawn as at 31 December 2014 (2013: $3.4 million). On the 4 March 2015 the Group agreed a new five-year $35 million facility comprising of a $20 million term loan, which has been used to partially fund the acquisition of Elite Sports Properties Pty and $15 million of working capital revolver.

Cash earn-outs payments due for 2015 total $2.6 million, all of which have been paid since the year-end.

Dividends

The board proposes a final dividend of 0.8 pence per share (2013: 0.7 pence) payable on 10 July 2015 to shareholders on the register at 29 May 2015. The ex-dividend date is 28 May 2015.

Principal risks and uncertainies

The management of the Group and the execution of the Group's strategies are subject to a number of risks. The key business risks 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 $6.6 million (2013: $5.8 million), which consisted of $6.0 million of interest bearing loans and a $6.6 million revolver (2013: $7.0 million of interest bearing loans and $3.4 million of revolver). The Group revolving facility is for a total of $7.0 million and the Group had cash of $5.9 million as at the year-end. The Group's cash and net debt position is continually monitored. Post year-end, the Group entered into a new five-year facility with Sun Trust of $35 million comprising $20 million of term loan and $15 million revolving credit facility. The new facility matures on 4 March 2020. Further details are given in note 28 to the financial statements.

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 interest rate on the facilities for the Group in 2014 was 4.5% (2013: 4.5%)

CUSTOMER RELATIONSHIPS RISK

The Group has commercial relationships with 474 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 (2013: 6%).

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.

Key Performance Indicators (KPIs)

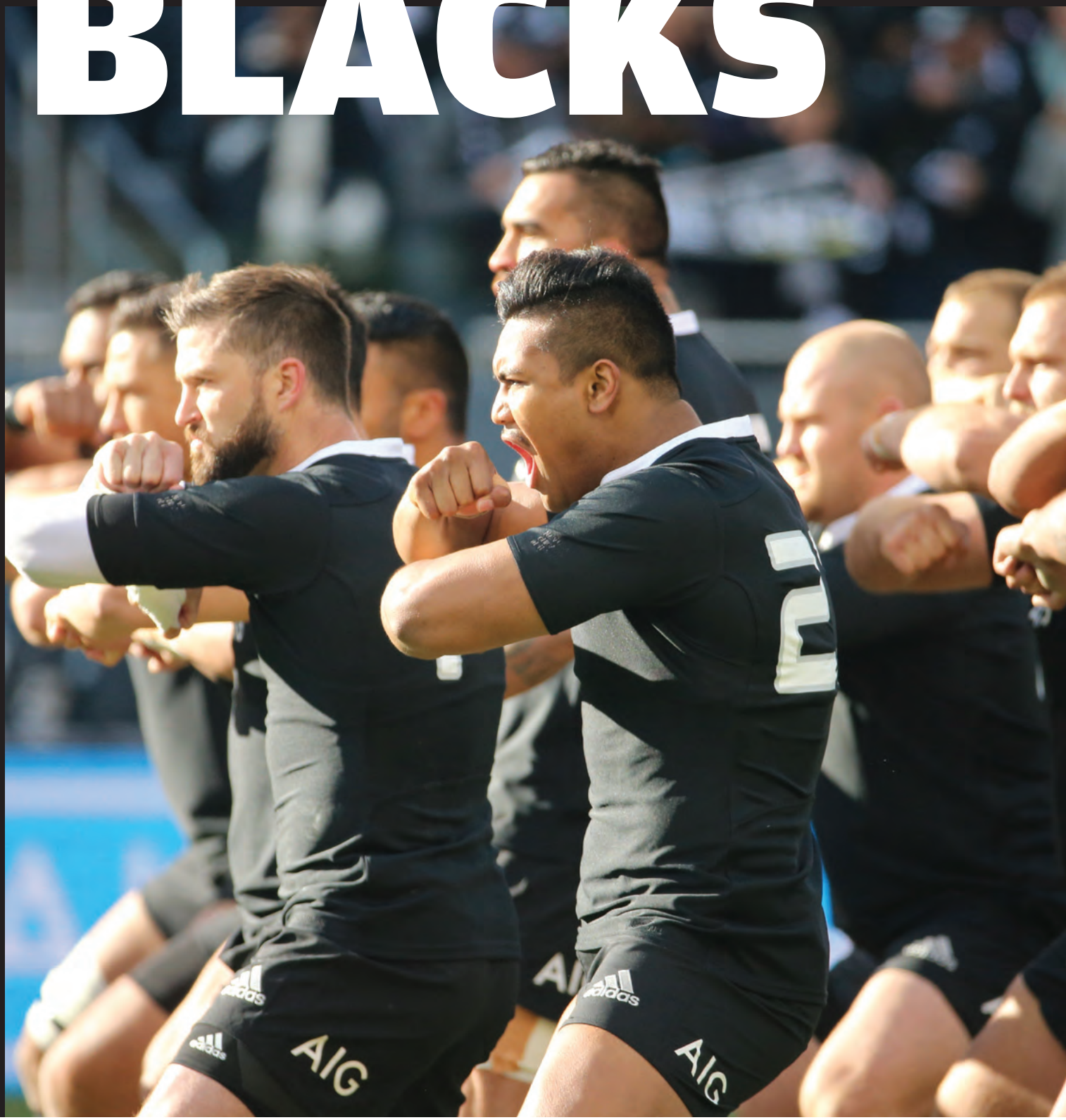
The Group manages its operational performance using a number of KPIs. The most important of these are:

KPI	Year ended 31 December 2014	Year ended 31 December 2013
Headline EBITDA	$9.0 million	$7.3 million
Headline EBITDA Margin	43%	39%
Profit before tax	$0.4 million	$0.1 million
Off-season contracts negotiated	$194 million	$150 million
Number of net new client wins	49	67
Debtor collection days	63 days	50 days

Jim Furyk
Professional golfer, 17 PGA Tour wins

SPOTLIGHT

ALL BLACKS



Facts & figures

Rugby World Cup Champions, the New Zealand All Blacks played the USA Eagles in a sold-out international match on November 1, 2014 at Chicago's Soldier Field

The match was only the third official international between New Zealand's All Blacks and the USA Eagles and the first in the United States since 1980

The event marked a step forward for US rugby as it continues to increase its profile domestically

Sold out Chicago's 61,500-seat Soldier Field, becoming the largest ever audience for an international rugby contest on American soil

More than triple the previous attendance record for an international match in the US

Event carried live on NBC nationally, a first for USA 15s

BOARD OF DIRECTORS

Bart Campbell

Executive Chairman • 44

From 2009 until May 2013, Bart was 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. Bart is also Chairman of the Melbourne Storm Rugby Club.

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 • 49

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 five years. Don is an experienced financial veteran having worked in the media and entertainment industry for more than 20 years.

Michael Principe

Chief Executive • 44

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 more than 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 in the Sports Business Journal's prestigious "Forty Under 40" list.

Greg Genske

Executive Director • 43

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 · 56

Keith was, until December 2014, 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.

Ian Robinson

Non-Executive Director · 64

Ian is currently non-executive Chairman of Jaywing Plc, an AIM listed digital marketing and consulting business, a non-executive director of Gusbourne Plc and an AIM-listed English sparkling-wine business. He is non-executive Chairman of LT Pub Management Plc, a privately owned pub and leisure asset management business. He is also a director of a number of other privately owned businesses.

Previously he was Chief Financial Officer of Carlisle Group's UK staffing and facilities services operations. He has held other senior financial appointments both in the UK and overseas. He is a Fellow of the Institute of Chartered Accountants in England & Wales, having trained with Peat, Marwick, Mitchell & Co (now KPMG) in London.

Andrew Pearson

Non-Executive Director · 56

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 more than 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.

DIGITAL COMPANION

View the digital version of this report at www.tlaww-plc.com

DIRECTORS' REPORT

Dwight Mighty,
Company Secretary
13 April 2015
(by order of the board)

The Directors present their report together with financial statements for the year ended 31 December 2014.

Political and charitable donations

No political or charitable donations were made during the year (2013: $nil).

Directors' interests

The present membership of the Board, together with biographies on each, is set out on pages 24 and 25. All of these Directors served throughout the year, except for Ian Robinson who joined the Board on 22 May 2014. Directors' interests in shares in the Company are set in the Directors' remuneration report on page 30.

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.

Going concern

The Directors have reviewed forecasts for the years ending 31 December 2015 and 31 December 2016. For this reason they continue to adopt the going concern basis in preparing the financial statements. See page 46 for more detail.

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 41 days (2013: 27 days). The Group has $2.3 million of trade payables as at 31 December 2014 (2013: $1.5 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 the 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.

HIGHLIGHTS

17.4%

Revenue growth since 2011

16.8%

Headline EBITDA growth since 2011

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 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.

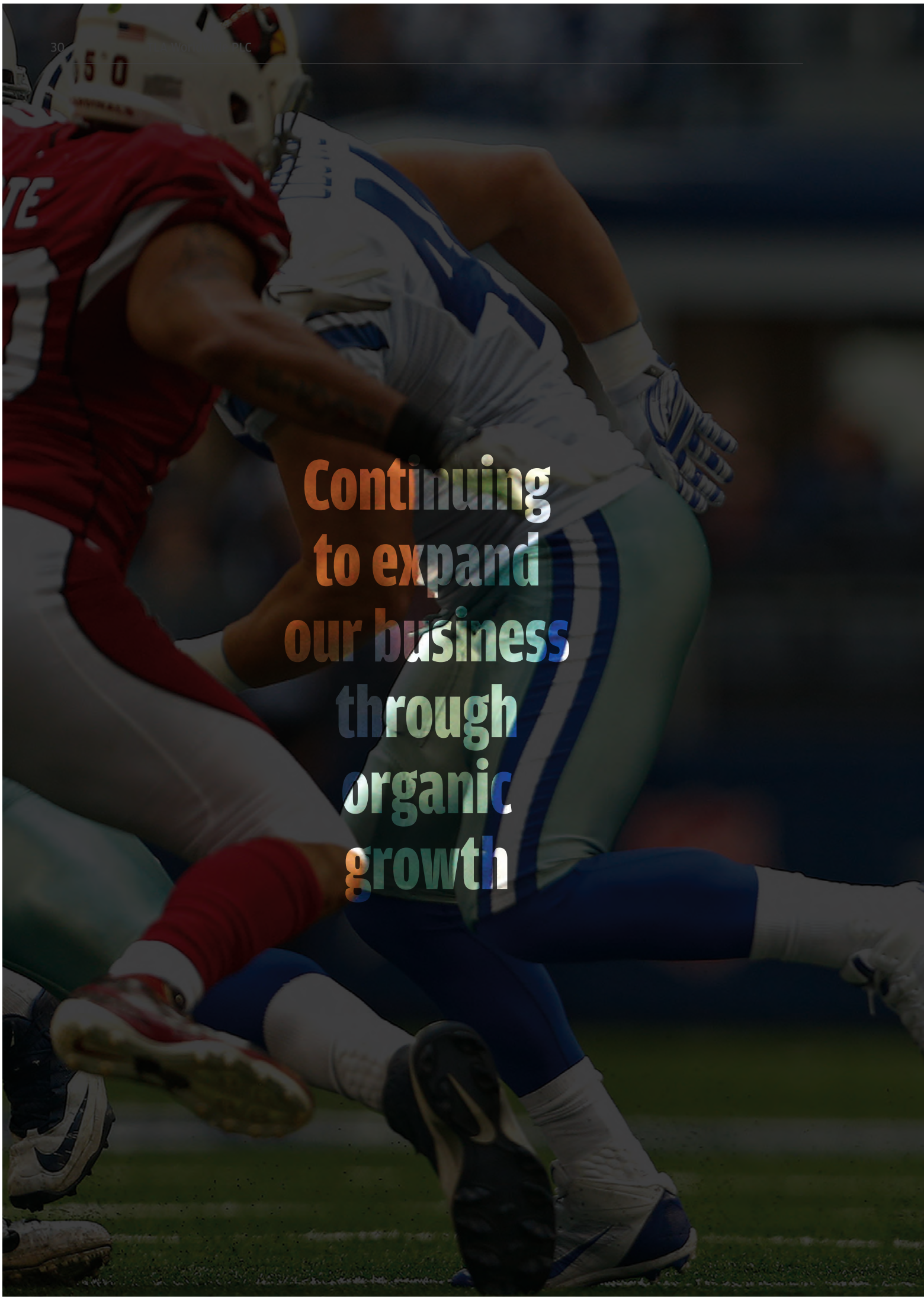
The auditor, Deloitte LLP, has indicated its willingness to remain in office. A resolution that it be re-appointed will be proposed at the Annual General Meeting.

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 %
Living Bridge	17,880,952	14.14%
Strand Associates	11,375,000	9.00%
Octopus Investments	8,870,030	7.02%
Nigel Wray	9,620,000	7.61%
Greg Genske (Genske Life Trust)	8,045,272	6.36%
Scott Parker	7,151,208	5.66%
Amati Global Investors	6,056,000	4.79%
Brian Peters	6,483,044	5.13%
F&C Investments	4,198,028	3.32%
Andrew Witlieb	3,905,079	3.09%
Jordan Bazant	3,905,080	3.09%

During the period between 31 December 2014 and 13 April 2015 the Company did not receive any notifications under chapter 5 of the Disclosure and Transparency Rules.



Continuing to expand our business through organic growth

DeMarco Murray
Running Back, Philadelphia Eagles

DIRECTORS' REMUNERATION REPORT

Ian Robinson,
Chairman,
Remuneration Committee
13 April 2015

(by order of the board)

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 the Company has provided, on page 19, 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:

- Ian Robinson (Chairman)
- Keith Sadler
- Bart Campbell

The Remuneration Committee is not comprised of entirely independent non-executive Directors. Ian Robinson, 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 year. 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 year 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 year Bart Campbell, formerly a Non-Executive Director, became an Executive Director.

During the year to 31 December 2014 there were four Executive Directors:

- Bart Campbell (Executive Chairman)
- Michael Principe (CEO)
- Greg Genske (Executive Director)
- Donald Malter (CFO)

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

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 of the role. Non-Executive Directors' fees currently comprise a basic fee of £30,000 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. The Group reimburses the reasonable expenses they incur in carrying out their Directors' duties.

Remuneration components: Executive Directors

A significant proportion of each Executive Directors' 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:

- Bart Campbell: up to 50%
- Michael Principe: up to 50%
- Greg Genkse: no bonus
- Donald Malter: up to 16.67%

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 have been awarded:

- Michael Principe (Director): 10,136,050 awards
- Dwight Mighty (Company Secretary): 2,878,851 awards
- Bart Campbell (Director): 2,878,851 awards

Details of the scheme are given in note 27.

Audited director remuneration

The total amount of the Directors' remuneration of the Company for the year ended 31 December 2014 is shown below.

	2014 ($000)	2013 ($000)
Aggregate emoluments	1,543	1,142

The emoluments of the Directors are shown below:

Executive Directors	2014 fees and salary ($000)	2014 benefit in kind ($000)	2014 Total ($000)	2013 Total ($000)
Bart Campbell	400	38	438	-
Michael Principe	400	21	421	421
Greg Genske	300	21	321	320
Donald Malter	180	-	180	52
Gareth Jones (resigned 1 October 2013)	-	-	-	106
	1,280	**80**	**1,360**	**899**
Non-Executive Directors				
Bart Campbell	-	-	-	70
Keith Sadler	66	-	66	63
Andrew Wilson (deceased) (15 May 2014)	27	-	27	63
Andrew Pearson	50	-	50	47
Ian Robinson (appointed 22 May 2014)*	40	-	40	-
Aggregate emoluments	**1,463**	**80**	**1,543**	**1,142**

* Paid to Anne Street Partners

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
Bart Campbell	1 January 2014	12 months	TLA Worldwide plc
Michael Principe	8 December 2011	5 years	The Legacy Agency Inc.
Greg Genske	8 December 2011	5 years	The Legacy Agency Inc.
Donald Malter	13 September 2013	3 months	The Legacy Agency Inc.

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, the details of which are as follows:

	Date of contract	Notice Period	Company with whom contracted
Keith Sadler	16 August 2011	6 months	TLA Worldwide plc
Ian Robinson	22 May 2014	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 2014 were as follows:

	Number of shares	Equity %
Bart Campbell *	1,355,556	1.07
Michael Principe	2,040,377	1.61
Greg Genske	8,045,272	6.36

* Mssers Campbell's shares are held through International Sports PTE limited

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. Bart Campbell is Chairman of the Melbourne Storm Rugby Club.

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. There were no disclosable transactions by the Group under IAS24, Related Party Disclosures. 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

Dwight Mighty,
Company Secretary
13 April 2015
(by order of the board)

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 which the Directors believe is 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 24 and 25. 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 Pearson and Keith Sadler will retire at the upcoming AGM and, being eligible for re-election, offer themselves for re-election. Ian Robinson offers himself for election.

Board Committees

REMUNERATION COMMITTEE

The composition of the Remuneration Committee is disclosed on page 18. The Remuneration Committee, on behalf of the Board, as and when necessary, review and approve the contract terms, remuneration and other benefits of the Executive Directors, 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 year ending 31 December 2014 were reported to and endorsed by the Board. Further details of the Group's policies on remuneration and service contracts are given in the Directors' remuneration report on page 30.

AUDIT COMMITTEE

The Audit Committee comprises of Non-Executive Directors and Bart Campbell, who became an Executive Director during the year. 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

USA Eagles vs New Zealand All Blacks
1 November 2014

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.

ATTENDANCE AT BOARD AND COMMITTEE MEETINGS

	Board	Audit	Remuneration
Total meetings held	8	3	1
Bart Campbell [A R]	8	3	1
Michael Principe	8	–	–
Michael Principe	8	–	–
Don Malter	8	–	–
Greg Genske	8	–	–
Keith Sadler [A R]	7	3	1
Andrew Wilson [A R] * out of a possible 2 board meetings, 2 audit committee meetings and 1 Remuneration Committee meetings	1	1	1
Ian Robinson [A R] * out of a possible 5 board meetings, 1 audit committee meeting and there were no Remuneration Committee meetings after Mr Robinson joined the board	5	1	–
Andrew Pearson	8	1	–

A: Audit Committee member
R: Remuneration Committee member
* Until 15 May 2014 for Andrew Wilson and from 22 May 2014 for Ian Robinson

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.

Relationship with shareholders

The Board recognises the importance of effective communication 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

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 allow the Committee to monitor the controls in place to ensure the integrity and accuracy of the accounting records and to safeguard the Group's assets. Significant capital projects, acquisitions and disposals require Board approval.

Going concern

The Directors have reviewed forecasts for the year ending 31 December 2015 and 31 December 2016. 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, being a period of at least 12 months from the signing of these accounts. For this reason they continue to adopt the going concern basis in preparing the financial statements.

Corporate social responsibility

The Board recognises the growing awareness of social, environmental and ethical matters and it endeavours 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 address 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 healthy working environment for them and for its visitors. Health and Safety is on the agenda for regular scheduled plc Board and Operational Board meetings.

Chris Myers
Commentator, Fox Sports

DIRECTORS' RESPONSIBILITIES STATEMENT

Michael Principe,
Chief Executive Officer
13 April 2015

(by order of the board)

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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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; and
- 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TLA WORLDWIDE PLC

Simon Olsen FCA,
Senior Statutory Auditor
for and on behalf of Deloitte LLP
Chartered Accountants and
Statutory Auditor, Southampton
13 April 2015

We have audited the financial statements of TLA Worldwide PLC for the year ended 31 December 2014, which comprise the Group Income Statement, Group Statement of Comprehensive Income, the Group Balance Sheet, the Group Cash Flow Statement, the Group Statement of Changes in Equity, the related notes to the Group financial statements 1 to 28, the Parent Company Balance Sheet and the related notes to the Parent Company financial statements 1 to 10.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements 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 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 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 and 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2014 and of the Group's profit for the year then ended;
- The Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- The Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- The financial statements 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the 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.

GROUP INCOME STATEMENT

For the year ended 31 December 2014

	Note	Year ended 31 December 2014 ($000)	Year ended 31 December 2013 ($000)
Revenue	**1**	**20,816**	**18,605**
Cost of sales		(25)	(633)
Gross profit		**17,972**	**14,497**
Administrative expenses		(19,087)	(16,538)
Operating profit from operations		**1,704**	**1,434**
Headline EBITDA		**9,021**	**7,269**
Amortisation of intangibles	4	(4,684)	(5,020)
Depreciation	4	(60)	(33)
Exceptional and acquisition-related costs	4	(1,151)	(782)
Share-based payments	4	(1,422)	–
Operating profit from operations		**1,704**	**1,434**
Finance costs	2	(1,285)	(1,384)
Profit before taxation	**4**	**419**	**50**
Taxation	8	(402)	923
Profit for the year from continuing operations attributable to the equity holders in the Company		**17**	**973**
Profit per share from continuing operations:			
Basic (cents)	3	0.01	0.77
Diluted (cents)	3	0.01	0.77

GROUP STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2014

	Year ended 31 December 2014 ($000)	Year ended 31 December 2013 ($000)
Profit for the year from continuing operations attributable to the equity holders in the Company	**17**	**973**
Dividend paid	(1,415)	(821)
Exchange differences on translation of overseas operations	(362)	350
Total comprehensive income	**(1,760)**	**502**

GROUP BALANCE SHEET

For the year ended 31 December 2014

	Note	Year ended 31 December 2014 ($000)	Year ended 31 December 2013 ($000)
NON-CURRENT ASSETS			
Intangible assets – goodwill	10	29,022	29,022
Other intangible assets	11	12,804	17,388
Property, plant and equipment	12	159	184
Deferred tax asset	9	3,884	2,805
		45,869	**49,399**
CURRENT ASSETS			
Trade and other receivables	13	12,527	7,823
Cash and cash equivalents		5,857	4,429
		18,384	**12,252**
Total assets		**64,253**	**61,651**
CURRENT LIABILITIES			
Trade and other payables	14	(4,645)	(3,375)
Borrowings	15	(7,546)	(4,352)
Deferred consideration	17	(2,385)	(2,663)
		(14,576)	**(10,390)**
Net current assets		**3,808**	**1,862**
NON-CURRENT LIABILITIES			
Borrowings	15	(4,900)	(5,896)
Deferred consideration	17	(9,169)	(9,702)
Trade and other payables	14	(750)	(500)
Derivative financial instruments	16	(27)	(63)
Other payables		(8)	(8)
		(14,854)	**(16,169)**
Total liabilities		**(29,430)**	**(26,559)**
Net assets		**34,823**	**35,092**
EQUITY			
Share capital	19	3,839	2,747
Share premium	20	33,303	23,461
Shares to be issued	20	1,311	12,177
Foreign currency reserve	20	74	436
Other reserves	20	1,422	–
Retained loss	20	(5,126)	(3,729)
Total equity		**34,823**	**35,092**

The financial statements of TLA Worldwide PLC, registered Company number 7741649 were approved by the Board of Directors and authorised for issue on 13 April 2015. They are signed on its behalf by: Michael Principe (Chief Executive) 13 April 2015

GROUP STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2014

	Share capital ($000)	Share premium ($000)	Shares to be issued ($000)	Foreign currency reserve ($000)	Other reserves ($000)	Retained earnings ($000)	Total ($000)
Balance at 1 January 2013	**2,741**	**23,396**	**12,177**	**86**	**–**	**(3,880)**	**34,520**
Total comprehensive income for the year	–	–	–	350	–	151	501
Equity issued during the year	6	65	–	–	–	–	71
Balance at 31 December 2013	**2,747**	**23,461**	**12,177**	**436**	**–**	**(3,729)**	**35,092**
Total comprehensive income for the year	–	–	–	(362)	1,422	(1,397)	(337)
Equity issued during the year	1,092	9,842	(10,866)	–	–	–	68
Balance at 31 December 2014	**3,839**	**33,303**	**1,311**	**74**	**1,422**	**(5,126)**	**34,823**

GROUP STATEMENT OF CASH FLOWS

For the year ended 31 December 2014

	Note	Year ended 31 December 2014 ($000)	Year ended 31 December 2013 ($000)
Net cash from operating activities	**22**	**2,980**	**3,332**
INVESTING ACTIVITIES			
Purchases of property, plant and equipment	12	(36)	(181)
Deferred consideration paid	17	(1,825)	(4,005)
Purchase of other Intangible assets	11	(100)	–
Net cash used in investing activities		**(1,961)**	**(4,186)**
FINANCING ACTIVITIES			
Interest paid	2	(394)	(410)
Repayment of borrowings	15	(1,000)	(1,000)
Fees paid on issue of new bank loans		–	(81)
Increase in borrowings	15	3,150	3,400
Dividend paid		(1,415)	(821)
Issue of shares for cash consideration (net of issue costs)	20	68	71
Net cash from financing activities		**409**	**1,159**
Net increase in cash and cash equivalents		**1,428**	**305**
Cash and cash equivalents at beginning of the year		**4,429**	**4,124**
Cash and cash equivalents at end of the year		**5,857**	**4,429**

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 7 to 11. 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

In the current year, the following new and revised standard and interpretations have been adopted:

- Amendments to IAS 36: Recoverable Amount Disclosures for Non-Financial Assets
- Amendments to IAS 32: Offsetting financial assets and financial liabilities

None of the new or revised standards that have been adopted affected the amounts reported in the financial statements. At the date of authorisation of these financial statements the Group had not applied the following new and revised IFRSs that have been issued but are not yet effective:

- IFRS 9: Financial Instruments
- IFRS 15: Revenue from Contracts with Customers
- Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations
- Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation
- Amendments to IAS 19: Defined Benefit Plans: Employee Contributions
- Amendments to IAS 27: Equity Method in Separate Financial Statements
- Annual Improvements to IFRSs: 2010–2012
- Amendments to: IFRS 2 Share-based Payment, IFRS 3 Business Combinations, IFRS 8 Operating Statements, IFRS 13 Fair Value Measurement, IAS 16 Property, Plant and Equipment, IAS 24 Related Party Disclosures and IAS 38 Intangible Assets.
- Annual Improvements to IFRSs: 2012–2014 Amendments to: IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, IFRS 7 Financial Instruments: Disclosures, IAS 19 Employee Benefits and IAS 34 Interim Financial Reporting

The Directors have not assessed whether the effect of the adoption of the Standards and Interpretations listed above will have a material impact on the financial statements of the Group in future periods. Beyond the information above, it is not practicable to provide a reasonable estimate of the effect of these standards until a detailed review has been completed.

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 forecasts for the year ending 31 December 2015 and 31 December 2016. 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, being a period of at least 12 months from the signing of these accounts. 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 re-measured 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 Income Statement, 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 fees earned from the provision of support services to other agents or events promoters (and is stated exclusive of any relevant sales taxes); and the revenue or the share of revenues on events where the Group is a promoter. Revenue is recognised in line with the provision of relevant services under the terms of the contract or in the case of events, once the event has occurred provided that it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably.
Revenue can be split into five 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.

Contractual arrangements are reviewed to ascertain whether the Group acts as principal or agent with regards to third-party costs. If the relationship is that of agent then the recharge of third-party costs is not recognised through revenue or cost of sales.

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 in the period that the associated fees are earned by the player.

4. SPONSORSHIP REVENUE

Sponsorship revenue is generated from commission calculated as a percentage of fees earned by placing sponsors for certain events. Revenue is recognised based on the terms of the individual contracts, at the point the commission becomes contractually due.

5. EVENT REVENUE

Event revenues are generated where the Group acts a promoter for an individual event or group of events. Revenue is recognised upon completion of the event, as this is the point when the Group becomes entitled to the revenue generated from that event.

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 five years. Repairs and maintenance are charged as an expense in the year incurred, and major improvements and new assets are capitalized.

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 cash flows 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 the 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.

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 the Income Statement 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 Income Statement 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. 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 accruals 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 the Income Statement.

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 re-measurement recognised in Income Statement. The net gain or loss recognised in Income Statement 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.

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.

Trade payables

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

DERIVATIVE FINANCIAL INSTRUMENTS

The Group entered into an interest rate swap to manage its exposure to interest rate risk. Further details of derivative financial instruments the Group holds are disclosed in note 16.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at each balance sheet date. The resulting gain or loss is recognised in Income Statement 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.

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 recognised 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.

Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market-based vesting conditions. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 49.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest. At each balance sheet date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions.

The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity reserves.

Non-GAAP measures

Headline EBITDA's, is operating profit before depreciation, amortisation of acquired intangible assets, acquisition-related charges, share-based payment charges and exceptional items.

We believe this non-GAAP measures provide shareholders with useful information about the Group's trading performance. The reconciliation between operating profit from continuing operations and Headline EBITDA is shown on the face of the Group Income Statement.


AIG

tes

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 exceptional items and acquisition-related costs (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 activities 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 2014, there were no clients who generated in excess of 10% of total revenue (2013: none).

YEAR ENDED 31 DECEMBER 2014	Baseball representation ($000)	Sports marketing ($000)	Unallocated ($000)	Total ($000)
Revenues	13,155	7,661	–	20,816
Cost of sales	(25)	–	–	(25)
Gross profit	**13,130**	**7,661**	**–**	**20,791**
Operating expenses excluding depreciation, amortisation, share based payments and exceptional items	(5,725)	(3,096)	(2,949)	(11,770)
Headline EBITDA	**7,405**	**4,565**	**(2,949)**	**9,021**
Amortisation of intangibles arising on acquisition	(3,477)	(1,207)	–	(4,684)
Deprecation	(10)	(3)	(47)	(60)
Exceptional items and acquisition related costs	(184)	(250)	(717)	(1,151)
Share based payments	–	–	(1,422)	(1,422)
Operating profit/ (loss)	**3,734**	**3,105**	**(5,135)**	**1,704**
Finance costs				(1,285)
Profit before tax				**419**
Tax				(402)
Profit for the year				**17**
Assets	39,563	15,200	9,490	64,253
Liabilities	(1,430)	(2,586)	(25,414)	(29,430)
Capital employed	**38,133**	**12,614**	**(15,924)**	**34,823**

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)
Headline EBITDA	**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 year				**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**

The accounting policies of the reportable segments are the same as the Group's accounting policies described in 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 2014 ($000)	Year ended 31 December 2013 ($000)
Interest on bank overdrafts and other loans	(394)	(410)
Total interest expense	**(394)**	**(410)**
Fair value gain on interest rate swaps	36	66
Amortisation of borrowing costs over the term of the loan	(48)	(87)
Amortisation of discount on deferred consideration	(879)	(953)
Total finance costs	**(1,285)**	**(1,384)**

3. Earnings per share

	Year ended 31 December 2014 (¢)	Year ended 31 December 2013 (¢)
Basic earnings per share	0.01	0.77
Diluted earnings per share	0.01	0.77

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

	2014 ($000)	2013 ($000)
Profit for the purposes of basic earnings per share being net gain/(loss) attributable to owners of the Company	17	973
NUMBER OF SHARES		
Weighted average number of shares in issue	122,406,174	87,599,178
Weighted average deferred consideration shares to be issued	3,226,029	38,028,042
Weighted average number of shares for the purposes of basic earnings per share	125,632,203	125,627,220
Weighted average share options	5,998,683	-
Weighted average number of shares for the purposes of diluted earnings per share	131,630,886	125,627,220

Headline earnings per share (see below)

	Year ended 31 December 2014 (¢)	Year ended 31 December 2013 (¢)
Basic headline earnings per share	4.99	4.14
Diluted headline earnings per share	4.76	4.14

Headline earnings is defined as profit or loss for the year 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, unwinding of discount on deferred consideration and exceptional items.

	Year ended 31 December 2014 ($000)	Year ended 31 December 2013 ($000)
Profit attributable to shareholders	**17**	**973**
Adjusted for		
Exceptional and acquisition-related costs (see note 4)	1,151	782
Share-based payments	1,422	–
Amortisation of acquired intangible assets	4,684	5,020
Fair value gain on interest rate swap (see note 16)	(36)	(66)
Unwinding of deferred consideration charges	878	952
Tax effect of adjusting items	(1,851)	(2,458)
Headline profit attributable to owners of the Company	**6,265**	**5,203**

The definition of headline profit attributable to owners of the Company has been amended since the prior year to include the unwinding of deferred consideration charges and the tax effect of adjusting items.

4. Profit before taxation

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

	Year ended 31 December 2014 ($000)	Year ended 31 December 2013 ($000)
Depreciation of property, plant and equipment	60	33
Amortisation of other intangible assets	4,684	5,020
Exceptional and acquisition-related costs (see below)	1,151	782
Staff costs (see note 7)	7,417	6,640
Share-based payments	1,422	–
Auditor's remuneration (see note 5)	145	141
Operating leases	692	800

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

	Year ended 31 December 2014 ($000)	Year ended 31 December 2013 ($000)
Acquisition related costs	330	–
Integration costs	–	1,169
Loyalty bonus arising on acquisition	250	250
Fair value movement on valuation of deferred consideration (note 17)	387	(637)
Arbitration costs	184	–
Total exceptional and acquisition related costs	**1,151**	**782**

5. Auditor's remuneration

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

	Year ended 31 December 2014 ($000)	Year ended 31 December 2013 ($000)
Fees payable to the Company's auditor and their associates for the audit of the Company's annual accounts	132	129
Total audit and related assurance fees	**132**	**129**
Interim review	13	12
Total non-audit fees	13	12
Total Fees	**145**	**141**

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 2014 ($000)	Year ended 31 December 2013 ($000)
SHORT-TERM BENEFITS		
Salaries including bonuses	1,463	1,095
Social security costs	29	23
Healthcare and other costs	80	47
Total Remuneration	**1,572**	**1,165**

Further information in respect of Directors is given in the Directors' Remuneration table on pages 30-33.

7. Staff costs

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

	2014 Number	2013 Number
Administration/Support	20	20
Agents	27	27
Executive Directors	4	4
	51	**51**

Their aggregate remuneration comprised:

	Year ended 31 December 2014 ($000)	Year ended 31 December 2013 ($000)
Wages and salaries	5,851	5,250
Social security costs	347	221
Other costs	1,219	1,169
	7,417	**6,640**

8. Tax

	Year ended 31 December 2014 ($000)	Year ended 31 December 2013 ($000)
UK TAXES		
Current year	–	–
US TAXES		
Current year	(1,481)	(892)
Adjustments in respect of prior year	–	65
	(1,481)	**(827)**
Deferred tax – current year	967	990
Deferred tax – adjustments in respect of prior year	112	760
	1,079	**1,750**
Total tax (charge)/ credit	**(402)**	**923**

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 2014 ($000)	Year ended 31 December 2013 ($000)
Profit before tax on continuing operations	**419**	**50**
Tax charge at the US corporation tax rate of 34% (31 December 2013: 34%)	(142)	(17)
EFFECTS OF		
Tax losses utilised in the year	206	141
Expenses not deductible for tax purposes	(572)	(125)
Adjustments to tax charge for prior period	112	826
Unrecognised deferred tax asset	(72)	–
Effect of different tax rates of entities operating in other jurisdictions	66	98
Tax (charge)/ credit for the year	**(402)**	**923**

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 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**
Credit to income for prior year	–	–	–	112	112
Credit/(charge) to income	1,851	(1,119)	–	235	967
At 31 December 2014	**(5,404)**	**8,212**	**–**	**1,076**	**3,884**

	2014 ($000)	2013 ($000)
Deferred tax asset	9,288	10,060
Deferred tax liability	(5,404)	(7,255)
	3,884	**2,805**

10. Goodwill

COST AND NET BOOK VALUE	($000)
At 31 December 2014 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 2014 ($000)	Year ended 31 December 2013 ($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% (2013: 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 CGU 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% (2013: 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 2014.

11. Other intangible assets

	Client contracts ($000)	Customer relationships ($000)	Total ($000)
COST			
At 1 January 2013	**9,165**	**17,940**	**27,105**
Purchase of intangible	–	2,485	4,151
At 31 December 2013	**9,165**	**17,940**	**27,105**
Purchase of intangible	–	100	100
At 31 December 2014	**9,165**	**18,040**	**27,205**
ACCUMULATED AMORTISATION			
At 1 January 2013	**(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)**
Charge for the year	(1,599)	(3,085)	(4,684)
At 31 December 2014	**(6,562)**	**(7,839)**	**(14,401)**
CARRYING AMOUNT			
At 31 December 2013	**4,202**	**13,186**	**17,388**
At 31 December 2014	**2,603**	**10,201**	**12,804**

12. Property plant and equipment

	Fixtures and fittings ($000)
COST	
At 1 January 2013	**45**
Additions	181
At 31 December 2013	**226**
Additions	35
At 31 December 2014	**261**
ACCUMULATED DEPRECIATION	
At 1 January 2013	**(8)**
Charge for year	(34)
At 31 December 2013	**(42)**
Charge for year	(60)
At 31 December 2014	**(102)**
CARRYING AMOUNT	
At 31 December 2013	**184**
At 31 December 2014	**159**

13. Trade and other receivables

	2014 ($000)	2013 ($000)
Trade receivables	8,639	5,222
Other debtors	1,952	1,526
Current tax asset	–	360
Prepayments	1,936	715
	12,527	**7,823**

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. The average age of these receivables is 63 days (2013: 50 days).

AGEING OF PAST DUE BUT NOT IMPAIRED RECEIVABLES	2013 ($000)	2012 ($000)
0–30 days	4,897	3,317
30–60 days	631	598
60–90 days	402	106
> 90 days	2,946	1,201
Provision for irrecoverable trade receivables	(237)	–
	8,639	**5,222**

The Group's trade receivables are stated after allowance for bad and doubtful debts. This allowance has been determined by considering specific doubtful balances and are analysed as follows:

	2014 ($000)
At 1 January	–
Charges to operating expenses	237
At 31 December	**237**

The provision for irrecoverable trade receivables relates to debts that are past due and impaired.

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

	2014 ($000)	2013 ($000)
Amounts payable to providers of services	2,332	1,479
Accruals and other amounts payable	2,110	1,569
Current taxes payable	953	827
Total	**5,395**	**3,875**
TOTAL TRADE AND OTHER PAYABLES		
Amount due for settlement within 12 months	4,645	3,375
Amount due for settlement after 12 months	750	500
Total	**5,395**	**3,875**

Amounts payable to providers of services and accruals principally comprise amounts outstanding for trade purchases, ongoing costs and $750,000 being a three-year provisions for the five-year loyalty bonus in respect of the Agency acquisition. The average credit period taken for trade purchases is 41 days (2013: 27 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

	2014 ($000)	2013 ($000)
SECURED BORROWING AT AMORTISED COST		
Bank loans	6,000	7,000
Revolving credit facilities	6,550	3,400
Debt costs amortised over the life of the facility	(104)	(152)
Total	**12,446**	**10,248**
TOTAL BORROWINGS		
Amount due for settlement within 12 months	7,546	4,352
Amount due for settlement after 12 months	4,900	5,896
Total	**12,446**	**10,248**

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 are 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

	2014 ($000)	2013 ($000)
Interest rate swap	27	63
	27	**63**

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 2014 and had a fair value liability of $27,000 (31 December 2013: $63,000). In accordance with IAS 39 the profit has been recognised as a credit in the period.

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

	2014 ($000)	2013 ($000)
Within 6 months	22	21
In 6 to 12 months	29	23
1 to 5 years	57	107

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:

	2014 ($000)	2013 ($000)
Payable in less than one year	2,591	2,989
Payable in one to two years	2,445	3,552
Payable in two to five years	7,515	7,334
Payable in two to five years	7,515	7,334
Impact of discounting on provisions payable in cash at the borrowing rate of 5.22%	(997)	9 1,510)
Total deferred consideration payable	**11,544**	**12,365**

In addition to the liabilities detailed above an additional $1,311,300 (2013: $12,177,000) consideration is payable in shares and 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 has not been 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 weighted average cost of capital 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 four years.

	Deferred consideration ($000)
At 1 January 2013	**16,108**
Additional deferred consideration in the year	(4,059)
Settlement of deferred consideration	(637)
Unwinding of discount	953
At 31 December 2013	**12,365**
Transfer to accruals	(250)
Settlement of deferred consideration	(1,825)
Movement in fair value	386)
Unwinding of discount	878
At 31 December 2014	**11,554**

18. Operating Leases

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

	2014 ($000)	2013 ($000)
Within one year	800	929
In the second to fifth years inclusive	1,739	2,510
After five years	–	184
Total	**2,539**	**3,623**

The above represents a number of office premises. During the year $0.7 million (2013: $0.8 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 2013	**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**
Issued on 23 April 2014 at 20p per share	249.697	391,600	12,484,856
Issued on 12 May 2014 at 30.9p per share	272	1,255	36,374
Issued on 22 May 2014 at 20p per share	446,343	700,000	22,317,159
Balance at 31 December 2014	**2,449,952**	**3,839,423**	**122,437,565**

The Group settled fees in respect of International Sports Pty Limited supplying a director's services. On 12 May 2014 36,374 were issued at a price of 30.90p. The Group also issued the deferred consideration shares to the vendors of Agency and Legacy and on 23 April 2014 12,484,856 were issued to the Agency vendors at a share price of 20p, as set out in the acquisition agreement with the Agency Vendors. On 22 May 22,317,159 deferred consideration shares were issued to the Legacy vendors at a piece of 20p per share, as set out in the acquisition agreement with the Legacy vendors.

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. 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)	Other reserves ($000)	Retained earnings ($000)	Total ($000)
Balance at 1 January 2013	**2,741**	**23,396**	**12,177**	**86**	**–**	**(3,880)**	**34,520**
Total comprehensive income for the year	–	–	–	350	–	151	501
Equity issued during the year	6	65	–	–	–	–	71
Balance at 31 December 2013	**2,747**	**23,461**	**12,177**	**436**	**–**	**(3,729)**	**35,092**
Total comprehensive income for the year	–	–	–	(362)	1,422	(1,397)	(337)
Equity issued during the year	1,092	9,842	(10,866)	–	–	–	68
Balance at 31 December 2014	**3,839**	**33,303**	**1,311**	**74**	**1,422**	**(5,126)**	**34,823**

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;
- TLA-ESP Ltd, registered in England and Wales, undertakes the business of Athlete Representation and Sports Marketing;
- The Legacy Agency Pty Ltd, incorporated under the laws of Victoria, Australia, undertakes the business of Athlete Representation and Sports Marketing;
- TLA-ESP Pty Ltd, incorporated under the laws of Victoria, Australia, undertakes the business of Athlete Representation and Sports Marketing;
- 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 2014 ($000)	Year ended 31 December 2013 ($000)
Operating profit for the year	1,704	1,434
ADJUSTMENTS FOR		
Amortisation of intangible assets	4,684	5,020
Depreciation of tangible assets	60	33
Share-based payment charges	1,422	-
Operating cash flows before movements in working capital	**7,870**	**6,487**
Increase in receivables	(5,064)	(4,125)
Increase in payables	1,531	1,317
Cash generated by operations	**4,337**	**3,679**
Income taxes paid	(995)	(707)
Other non-cash movements	(362)	350
Net cash from operating activities	**2,980**	**3,322**
CASH AND CASH EQUIVALENTS		
Cash and bank balances	5,857	4,429

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.

The Group's net debt has moved as follows during the year:

	1 January ($000)	Cash flow ($000)	Non-cash movements ($000)	31 December ($000)
Cash and bank balances	**4,429**	**1,428**	**-**	**5,857**
Borrowings	(10,248)	(2,150)	(48)	(12,446)
Net debt	**(5,819)**	**(722)**	**(48)**	**(6,589)**

23. Capital commitments

The Group had no commitments to purchase property, plant and equipment (2013: none).

24. 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 applies judgement in estimating the anticipated future cash flows and subsequent amounts payable. See note 18.

TRADE RECEIVABLES

The Group's customers include athletes, talent and large corporations. While dependant on its 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 more than 440 clients, which spreads the risk going forward. It is a focus of the Board to closely monitor receivables as part of its KPIs.

25. 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:

	2014 ($000)	2013 ($000)
FINANCIAL ASSETS		
Cash and bank balances	5,857	4,429
Trade receivables	8,639	5,222
Other debtors	1,952	1,526
Current tax asset	-	360
Total	**16,448**	**11,537**
FINANCIAL LIABILITIES		
Borrowings	12,446	10,248
Deferred consideration	11,554	12,365
Derivative financial instruments	27	63
Trade payables	2,333	1,479
Accruals and other amounts payable	2,118	1,569
Current tax payable	1,481	827
Total	**29,959**	**26,551**

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 more than 440 clients, which spreads 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 2014						
Borrowings	–	250	750	11,550	(104)	12,446
Deferred consideration	–	2,591	–	9,960	(997)	11,554
Trade payables	–	2,332	–	–	–	2,332
Accruals	–	1,360	–	758	–	2,118
Current tax payable	–	–	953	–	–	953
Financial derivatives	–	–	–	27	–	27
	–	6,533	1,703	22,295	(1,101)	29,430
31 December 2013						
Borrowings	–	250	4,102	6,048	(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
Current tax	–	–	827	–	–	827
Financial derivatives	–	–	–	63	–	63
	2,898	**1,280**	**6,888**	**17,151**	**(1,666)**	**26,551**

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 an average of £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 they expire. The awards are forfeited if the employee leaves the Group before the award vests. Details of the LTIP awards outstanding during the year are as follows.

	No. of share options
Granted during the period	15,893,752
Forfeited during the period	–
Exercised during the period	–
Expired during the period	–
Outstanding at 31 December 2014	**15,893,752**
Exercisable at the end of the year	–

The awards outstanding at 31 December 2014 had an exercise price of £0.01 and a weighted average remaining contractual life of two years. All awards were granted on 19 December 2013. The aggregate of the estimated fair values of the awards granted on this date is $1.79 million. The inputs into the Monte Carlo model, as at the date of the LTIP being entered into, prior to the date of are as follows:

Weighted average exercise price	£0.01
Expected volatility	30.0%
Expected life	3 years
Risk-free rate	4.3%

If the LTIP does not vest during the five year period on the expiry of the LTIP an option over 5,998,683 shares of the Company has been granted to the founders at an exercise price of 1p if satisfied by existing shares or 2p if satisfied by new shares. Details of the share options outstanding during the year are as follows:

	No. of share options
Granted during the year	5,998,683
Forfeited during the year	–
Exercised during the year	–
Expired during the year	–
Outstanding at 31 December 2014	**5,998,683**
Exercisable at the end of the year	–

The options outstanding at 31 December 2013 had a weighted average exercise price of either 1p or 2p. All options were granted on 19 December 2013 and will only become effective it the LTIP does not vest. The aggregate of the estimated fair values of the options granted on this date is $2.52 million. The inputs into the Black Scholes model are as follows:

Exercise price	£0.01
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 three years, prior to the date of entering the LTIP. 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 $581,000 (2013: $Nil) related to equity-settled share-based payment transactions.

28. Subsequent events

Below are the significant events that happened after our year end of 31 December 2014 and before the signing of this annual report on 13 April 2015.

On 19 March 2015 the Group acquired the trade and assets of Elite Sports Properties Holdings Pty Ltd ("ESP"), an Australian athlete management and sports marketing company, for a total maximum consideration of AUD25.5 million payable over five years. Under the terms of the deal, the Group is paying up to AUD25.5 million for ESP, comprising an initial consideration of AUD13.5 million, of which AUD10.1 million is in cash and the balance by way of the issue of 3,939,800 ordinary shares of 2p each in TLA ("Shares"). The Shares were priced at 43.36p each, being the average closing market price over the seven days prior to completion of the deal. The further consideration of up to AUD12 million, of which half is payable on certain performance conditions being achieved for the three years ending 31 December 2017 and the balance subject to certain performance conditions being achieved for the five years ending 31 December 2019. Future earn out payments will be satisfied 75% cash and 25% in Shares.

COMPANY BALANCE SHEET

31 December 2014

	Note	31 December 2014 ($000)	31 December 2013 ($000)
FIXED ASSETS			
Investments	2	16,553	16,553
Loan to subsidiary undertakings		21,077	22,946
		37,630	**39,499**
CURRENT ASSETS			
Debtors: amounts falling due within one year	3	942	165
Cash at bank and in hand		835	840
		1,777	**1,005**
Creditors: Amounts falling due within one year	4	(372)	(180)
Net current assets		**1,405**	**825**
Total assets less current liabilities		**39,035**	**40,324**
Net assets		**39,035**	**40,324**
CAPITAL AND RESERVES			
Called-up Share Capital	5	3,839	2,741
Share Premium account	6	33,303	23,396
Shares to be issued	6	1,311	12,177
Profit and loss account	6	398	(1,739)
Foreign currency reserve		184	983
Shareholders' funds		**39,035**	**37,558**

These financial statements of TLA Worldwide plc, registration number 7741649, were approved by the Board of Directors and authorised for issue on 13 April 2015. They are signed on its behalf by:

Michael Principe
13 April 2015

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 13 April 2015. The Company reported a loss for the year ended 31 December 2014 of $161,000.

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 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 amount 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 AND CARRYING VALUE	($000)
At 31 December 2013 and 31 December 2014	**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
TLA-ESP Limited	Ordinary	100%	100%	undertakes the business of Athlete Management and sports marketing
TLA-ESP Pty Ltd	Ordinary	100%	100%	undertakes the business of Athlete Management and sports marketing
The Legacy Agency Pty Ltd	Ordinary	100%	100%	undertakes the business of Athlete Management and sportsmarketing
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 its shares.

3. Debtors

AMOUNTS FALLING DUE WITHIN ONE YEAR	2014 ($000)	2013 ($000)
Other debtors	942	165
	942	**165**

4. Creditors

AMOUNTS FALLING DUE WITHIN ONE YEAR	2014 ($000)	2013 ($000)
Trade creditors	165	30
Accruals and deferred income	207	150
	372	**180**

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 2013	**1,749,658**	**2,741,141**	**87,482,877**
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**
Issued on 23 April 2014 at 20p per share	249,697	391,600	12,484,856
Issued on 12 May 2014 at 30.9p per share	272	1,255	36,374
Issued on 22 May 2014 at 20p per share	446,343	700,000	22,317,159
Balance at 31 December 2014	**2,449,952**	**3,839,423**	**122,437,565**

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 2013	**2,741**	**23,396**	**12,177**	**983**	**(1,739)**	**37,558**
Total comprehensive income for the year	–	–	–	639	2,877	3,516
Equity issued during the year	6	65	–	–	–	71
Dividend paid	–	–	–	–	(821)	(821)
Balance at 31 December 2013	**2,747**	**23,461**	**12,177**	**1,622**	**317**	**40,324**
Total comprehensive income for the year	–	–	–	(1,224)	1,282	58
Equity issued during the year	1,092	9,842	(10,866)	–	–	68
Dividend paid	–	–	–	–	(1,415)	(1,415)
Balance at 31 December 2014	**3,839**	**33,303**	**1,311**	**398**	**184**	**39,035**

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 24 to the consolidated financial statements.

8. Financial risk management objectives and policies

Details of the Group policies are set out in note 25 to the consolidated financial statements.

9. Auditor's remuneration

Details of remuneration paid to the auditors by the Group are shown in note 6 of the consolidated financial statements.

10. Directors and employees

The average monthly number of employees was:

	2014 (number)	2013 (number)
Directors	5	–
Management	1	1
	6	**1**

Their aggregate remuneration comprised:

	2014 ($000)	2013 ($000)
Wages and salaries	852	164
Social security costs	37	23
	889	**187**

The USA-based directors of the Group are remunerated by TLA INC. and note 6 of the Group accounts set out amounts paid to key personnel.

SHAREHOLDER INFORMATION

Annual General Meeting: 22 June 2015
Website: tlaww-plc.com

Advisers

AUDITOR
Deloitte LLP
Southampton

NOMINATED ADVISOR AND BROKER
Numis Securities Limited
The London Stock Exchange Building
10 Paternoster Square
London, EC4M 7LT

REGISTRARS
Neville Registrars Limited
Neville House
18 Laurel Lane
Halesowen
West Midlands B63 3DA

LAWYERS – UK
DAC Beachcroft
100 Fetter Lane
London EC4A 1BN

LAWYERS – US
Herrick, Feinstein LLP
2 Park Avenue
New York, New York 10016

REGISTERED OFFICE
94 Pepys Road
London SE14 5SD
Registered number: 7741649
Country of incorporation: England

BANKER – UK
HSBC Bank PLC
West End Corporate Banking Centre
2nd Floor, 70 Pall Mall, London SW1Y 5E

BANKERS – US
Sun Trust Banks Inc.
303 Peachtree Street, 32nd Floor
Atlanta, GA 30308

Design by Design to Communicate
www.dtcstudio.co.uk
This report incorporates images licensed through Getty Images

TLAWW-PLC.COM