TLA WORLDWIDE PLC

2012 ANNUAL REPORT

Contents

Financial highlights

TLA client Angel Pagan

FINANCIAL HIGHLIGHTS

▲ 7.5%	Adjusted EBITDA* up 7.5% to $6.6 million at a 43% margin (2011: unaudited pro forma EBITDA**: $6.1 million).
▲ 9.0%	Revenue of $15.1 million, up 9% on unaudited pro forma of $13.8 million in 2011.
4.19¢	Adjusted basic earnings per share*** of 4.19 cents (2011: 0.02 cents).
▲ 32.0%	Cash balance at 31 December 2012 up 32% to $4.1 million, giving net debt of $3.9 million.
✓	Successful agreement of new long-term debt facility and revolver.
0.6p	Maiden dividend of 0.6 pence per share, reflecting the Board's confidence in the performance of the business.
▲ 33.0%	Contracted revenue approximately $40 million, up 33% (2011: $30 million).
$1.2 m	Statutory operating profit of $1.2 million.

* Adjusted EBITDA is defined as operating profit adjusted to add back depreciation, amortisation of acquired intangible assets and any other acquisition related charges, share-based payments charges and exceptional items. A further description is provided in the Finance Review.

** Unaudited pro forma financial information for the year ended 31 December 2011 is based on unaudited management accounts of both Legacy and Agency for the period from 1 January 2011 to 7 December 2011, aggregated with the trading results of the Group for the period from 8 December 2011 to 31 December 2011. The aggregated financial information is then adjusted for member earnings, certain exceptional costs and an estimate of central costs as further described in the Finance Review.

*** Adjusted profit per share is defined as adjusted profit for the period divided by the weighted average number of Ordinary Shares in issue during the period. Adjusted profit for the period is defined as profit for the period adjusted to add back amortisation of acquired intangible assets and any other acquisition related charges, share-based payment charges, fair value movement on financial derivatives and exceptional items. A further description is provided in note 2 to the accounts.

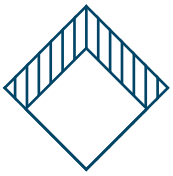
Operational highlights

TLA client Carl Crawford

OPERATIONAL HIGHLIGHTS

57

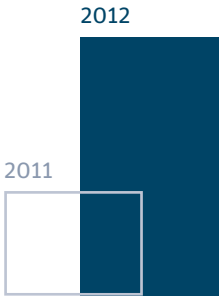
Major League Baseball clients at start of the 2013 season – a 67% increase on the previous season.



2012 2013

52

net new client wins, taking total number of clients to 380 – a growth of 147% from 2011.



21

clients selected as Major League All-Stars.

42

top 10 finishes by TLA clients on PGA Tour and four players in the Fed Ex Cup.

Opening of a new office in Venezuela to drive growth in Latin America.

Negotiated more than $210 million of guaranteed contracts for our baseball clients in the 2012 off-season (2011: $100 million).

Successful acquisition of baseball representation firm Peter E Greenberg & Associates, establishing TLA as the leading agency in the representation of Latin American Major League Baseball players.

Enhanced and expanded sales functions and capabilities within the TLA group.

The hiring of an MLB executive to the newly created position of senior vice president of business development including events.

Excellent showing by TLA's coaching business at 2012 NCAA year-end Men's Basketball Tournament.

TLA nominated as Best in Talent Representation and Management at the prestigious 2013 Sports Business Awards.

Negotiated high-profile deals for TLA clients with premier brands such as Pepsi, Red Bull, Subway, Tyco and Ticketmaster.

Chairman's statement

I am pleased to report that the first full financial year of operations for TLA Worldwide plc (TLA or the Group) has been a successful one.

Following TLA's listing on the Alternative Investment Market (AIM) on 8 December 2011, it has fully integrated its portfolio companies under one unified brand, and completed a bolt-on acquisition of Peter E. Greenberg & Associates (PEG) to further extend our reach into Major League Baseball (MLB) by targeting the high growth region of Latin America. We also realigned and enhanced the Group's sales functions. As a result, TLA is now a market leader in the representation of professional baseball players.

TLA has also expanded its sports marketing offering. It is particularly strong in talent marketing, with special competencies in the representation of broadcasters, coaches and professional golfers. The short listing of TLA as Best in Talent Representation and Management at the prestigious 2013 Sports Business Awards is a testimony to the hard work of our people and the growing reputation of the Group.

Nine locations worldwide (London, New York City, Newport Beach, San Francisco, Houston, Charleston SC, Phoenix, Miami and Maracay in Venezuela)

Review of results

For the year ended 31 December 2012, the Group reported:

- revenues of $15.1 million;
- operating profit of $1.2 million;
- adjusted EBITDA[1] of $6.6 million;
- contracted revenues for future periods now stand at $40 million;
- cash at the end of the period was $4.1 million; and
- the payment of our maiden dividend of 0.6 pence per share, reflecting the confidence of the board in the cash generation of the Group.

Review of operations

The operational integration of TLA following our acquisition of PEG is complete with PEG repositioning itself within the TLA brand. We currently have more than 50 full-time personnel and nine locations worldwide (London, New York City, Newport Beach, San Francisco, Houston, Charleston SC, Phoenix, Miami and Maracay in Venezuela). There have been 52 net new client wins in 2012, demonstrating the benefits of the combined Group and reflecting the efforts of our team.

The start of 2013 has been positive and is in line with the Board's expectations for the year. The cash position continues to be strong with cash on balance sheet of $1.2 million as at 31 March 2013, after the payment of $2.2 million in earn-outs, and 70% of our forecast 2013 revenue currently contracted.

In January 2013, we renegotiated and expanded our banking facility to include a revolving facility to fund any future acquisitions and for general corporate purposes. We also appointed Numis Securities Limited as nominated adviser and broker to TLA as we strive to move the business forward.

Board changes

In June 2012, Andy Pearson was appointed as a non-executive director to the Board. Andy brings substantial experience to the Group. As a senior partner at KPMG for 16 years he formed and led KPMG's Transaction Services business in the Midlands between 1999 and 2005 and led work on more than 100 M&A or financing transactions.

Additionally, effective 29 November 2012, Gareth Jones, TLA's group financial controller, was promoted to chief financial officer and has joined the Group's Board. Gareth joined TLA having previously advised the Group on its flotation. Previously, Gareth spent four years within the Audit and Assurance practice of Ernst & Young, where he worked on companies varying in size from start-ups to FTSE 100 clients. He holds a CA qualification and a member of the Institute of Chartered Accountants of Scotland.

Outlook

The start of 2013 has been positive and is in line with the Board's expectations for the year. The cash position continues to be strong with cash on balance sheet of $1.2 million as at 31 March 2013, after the payment of $2.2 million in earn-outs, and 70% of our forecast 2013 revenue is currently contracted.

From an industry perspective, the strong underlying fundamentals of MLB were further confirmed through the recent doubling of its national media rights values to $1.55 billion per annum from 2014 to 2021. Additionally, the global sports marketing industry is trending positively following the highly successful London 2012 Olympics. Growth in sports marketing and sponsorship in the US continues to be robust and TLA is well placed to capture this market upswing.

This year we have delivered a strong set of results and we have performed in line with expectations, proving the business model to investors. We remain focused on developing the business, expanding our client base and improving the value of the Group's offering. The economic and growth trends are favourable for the sports marketing industry, specifically in baseball and the USA generally. We remain confident about TLA's long-term growth.

Bart Campbell
Chairman
22 April 2013

Chief Executive's review

TLA client Johan Santana

$15.1m generated revenue

9% growth (on pro forma basis)

> $210m negotiated contracts for clients

Trading

The Group has continued to deliver strong sales and profit growth. In our first full year results we generated $15.1 million of revenue and growth of 9% on a pro forma basis (2011 pro forma $13.8 million; for the 23-day period after our admission to AIM, revenues were $171,000). Our adjusted EBITDA was $6.6 million (2011: pro forma of $6.1 million). The reported operating profit for the year was $1.2m (2011: a loss of $0.7m for the 23-day period) after amortisation charges of $4.4 million (2011: $0.3 million).

Adjusted EBITDA[1] margin for the group was 43% (2011 unaudited pro forma[2]: 44%).

Adjusted diluted EPS was 4.2 cents (2011 unaudited pro forma: 0.02 cents). Statutory EPS for the year was a loss of 1.4 cents per share (2011: 2.7 cent loss per share).

Business review

The group has progressed successfully over the past 12 months and now operates under one brand across its operations. We also enhanced our sales team to capitalise on the potential within our baseball business and the increased awareness of the TLA organisation.

The baseball division was active during 2012, highlighted by four TLA clients being selected as MLB All-Stars in 2012. TLA now has 21 current and past All-Stars on our roster. In the MLB Amateur Draft, TLA advised 18 MLB draft picks, an increase of 20% on 2011. 18 of TLA's clients were called up to the MLB compared to four in 2011.

With the acquisition of PEG, TLA expanded into Latin America and is now a market leader in that sector. TLA is off to a strong start in 2013 with nearly 60 clients on MLB 40 man rosters, compared to 33 commencing the 2012 season. TLA recently completed a productive off-season, negotiating over $210m of contracts for its clients, compared to slightly over $100m in the prior off-season.

The sports marketing division has performed well. We have invested in its sales resources, which slightly reduced margins in the short term. Golf had a solid year with 42 top 10 PGA Tour finishes and three new PGA Tour clients, including 2012 Rookie of the Year, John Huh, and 2010 USA Ryder Cup team member, Jeff Overton, signing with TLA for their exclusive representation.

Talent marketing continued to perform well in commercially promoting its clients, negotiating deals with high-profile brands such as Pepsi, Red Bull and TicketMaster, as well as its exclusive marketing representation of top 10 draft pick in the National Football League, Ryan Tannehill. Coaching continued its upward trend by selectively expanding its client base, highlighted by its representation of eight of the 64 teams in the 2012 NCAA basketball championship tournament. Broadcasting added more than 10 new clients to its roster meaning TLA now has clients commentating across the media spectrum for networks including ESPN, the MLB, NFL and NHL Networks, CBS, NBC, Fox and Turner.

Acquisition

Part of our strategy is to acquire companies that fit into and further enhance our business and strategy. It was for this reason that we acquired PEG in November 2012. The acquisition moves us into a leading position in the Latin American baseball player market as well as enhancing our position as a leading baseball management business in the USA. Latin America is a key area for baseball representation, with 23.5% of MLB players originating from Latin America. PEG's key markets of the Dominican Republic and Venezuela produce 10.2% and 7.3% of all MLB players respectively.

The integration of PEG into the TLA baseball business is progressing well, with the re-brand complete. The additional reach, combined with industry recognised agents, will only continue to enhance the TLA brand. During 2013 we intend to consolidate all our New York operations into one office, which will complete our integration.

The baseball division was active during 2012, highlighted by four TLA clients being selected as MLB All-Stars in 2012. TLA now has 21 current and past All-Stars on our roster.

Equity and debt financing

As part of the acquisition of PEG we raised additional equity. It was pleasing not only to have the support of our existing investors but to see new institutions supporting TLA. In January 2013 we renegotiated our banking facilities, which are in place now until January 2018. This enabled us to reduce the interest paid margin by 1% and increase our overall facilities to $15 million. The increase in the facilities is by way of a $7 million revolver, which is in addition to our current $8 million term loan facility. The revolver is available for the future requirements of the group, including acquisitions.

Our markets

The baseball market continues to go from strength to strength. The estimated MLB revenues for the 2012 season is expected to be $7.5 billion (2011: $7.2 billion). That revenue figure is underpinned by the rapidly growing local broadcast rights market and league attendance. MLB's 2012 gate increased to nearly 75 million, marking a return to pre-recession levels. The 2% year-on-year increase is the fifth highest in its history and the largest since 2008. These positive factors, combined with the new TV rights deal of $1.55 billion per annum from the 2014 season, give MLB a sound footing.

The overall US sports market is worth $48 billion per annum. The key segments of sponsorship and media rights are respectively worth more than $9 billion and $12 billion per annum. These segments are forecast to grow faster than the overall US sports market at 6.3% and 7.8% per annum against growth of 4.7%[3] for the total market. Drilling down further into the sports marketing landscape, PGA Tour revenues rose in 2012 to a record high of $1.11 billion, highlighted by a nine-year television deal which commenced in 2011 and averages $800 million per annum. These markets are key drivers for the growth of TLA's business as they underpin the spend by MLB baseball teams as well as increasing our ability to secure sponsorship opportunities for our clients.

$48 billion

per annum: the overall worth of the US sports market

People

One of the strengths of our business is the quality of our people. As well as the Board appointments of Andy Pearson and Gareth Jones, we have made a number of key hires, including the fulfilment of the newly created position of Senior VP, Business Development. On a personal note, I would like to thank all of the TLA team for their enthusiasm, energy and support over the last year.

Outlook

As set out in the chairman's statement, the Group will continue to build upon its progress in 2012 by developing organically by expanding the current service offering and geographic presence, as well as seeking to make strategic acquisitions if and when the right opportunity presents itself.

TLA intends to become the pre-eminent, fully integrated representation and marketing services agency with on-field focus on professional baseball. As a combined group, TLA offers industry-leading capabilities in baseball, broadcasting, coaching, golf and talent management. TLA today offers a stronger platform to recruit new clients and identify new opportunities across the portfolio.

2013 has started as expected and the Group is performing is in line with the Board's expectations.

Michael Principe
Group Chief Executive
22 April 2013

TLA client Lolo Jones

Finance review

TLA client CC Sebathia

This review covers the 12-month trading period from 1 January 2012 to 31 December 2012.

For this period the Group reported a statutory loss before tax of $79,000. The performance at the operating level, before interest, tax, depreciation, amortisation and exceptional charges showed an Adjusted EBITDA[1] of $6.6 million.

Headline results

	2012 ($000)	2011 unaudited pro forma ($000)	% change
Revenue	15,082	13,793	9.3%
Adjusted EBITDA[4]	**6,566**	**6,108**	**6.0%**
Operating profit before tax	1,204	n/a	–
Adjusted EBITDA margin[5]	43.5%	44.3%	(0.8%)
Adjusted earnings per share (¢)[6]	4.19	0.02	> 100%

- Cash balances as at 31 December 2012 of $4.1 million (2011: $3.1 million) and net debt of $3.9 million (2011: $6.9m).
- $15 million facility agreed with SunTrust in January 2013 for five years including a $7m revolver to assist with our ongoing corporate development.

Reported results

On a statutory basis the operating profit was $1.2 million (2011: loss of $3.1 million) and the loss before tax was $79,000 (2011: loss $3.2 million).

	Year ended 31 December 2012 ($000)	23-day period to 31 December 2011 ($000)
Revenue	15,082	175
Operating profit/(loss) from operations	1,204	(3,102)
Statutory loss before tax	(79)	(3,221)
Statutory loss per share (¢)	(1.19)	(2.72)

TLA's combined network creates a stronger platform to recruit new clients and identify new opportunities across the portfolio.

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

YEAR ENDED 31 DECEMBER 2012

	Baseball representation ($000)	Sports marketing ($000)	Unallocated ($000)	Total ($000)
Revenues	10,065	5,017	–	15,082
Cost of sales	(355)	(230)	–	(585)
Gross profit	**9,710**	**4,787**	**–**	**14,497**
Operating expenses excluding depreciation, amortisation and exceptional items	(4,246)	(2,262)	(1,423)	(7,931)
Adjusted EBITDA[4]	**5,464**	**2,525**	**(1,423)**	**6,566**
Amortisation of intangibles arising on acquisition	(3,081)	(1,323)	–	(4,404)
Depreciation	(5)	(1)	(2)	(8)
Exceptional and acquisition-related costs (see note 4)	–	–	(950)	(950)
Operating profit/(loss)	**2,378**	**1,201**	**(2,375)**	**1,204**
Finance costs				(1,283)
Loss before tax				**(79)**
Tax				(1,117)
Loss for the period				**(1,196)**

Headline divisional performance

BASEBALL REPRESENTATION

	2012 ($000)	2011 pro forma[2] ($000)	% change
Revenue	10,065	8,785	15%
Adjusted EBITDA[4]	5,464	4,697	16%
Adjusted EBITDA margin[5]	54.6%	53.5%	–
Operating profit	2,378	n/a	–

Trading for the 12-month period ended 31 December 2012 generated $10.1 million of revenue, an Adjusted EBITDA[4] of $5.5 million and a statutory operating profit of $2.4 million after accounting for the amortisation of acquired intangibles. The 60-day performance of PEG is included in the above results.

SPORTS MARKETING

	2012 ($000)	2011 pro forma[2] ($000)	% change
Revenue	5,017	5,008	–
Adjusted EBITDA[4]	2,525	2,711	(7%)
Adjusted EBITDA margin[5]	50.3%	54.1%	–
Operating profit	1,201	–	–

Trading for the 12-month period ended 31 December 2012 showed revenue of $5.0 million, adjusted EBITDA[4] of $2.5 million and operating profit of $1.1 million. The reduction in EBITDA reflects investment in additional people to build its future sales capacity.

Corporate activity

On 11 November 2012 TLA acquired PEG for an initial consideration of $4.46m, split $3.1m in cash and $1.3m in shares. There are five contingent earn-out payments of up to $7.1m, subject to certain EBIT targets. TLA has the option to pay 30% of any earn-out in shares.

PEG is a Latin America focused baseball representation business. This enhances TLA's Latin America operation moving it to a market leader in the representations of Latin American baseball players. For the 60 days that PEG was part of TLA it made an operating loss of $0.5 million.

Cash flow and banking arrangements

Cash generated from operating activities for the year ended 31 December 2012 was $2.1million (23-day period ended 31 December 2011: $0.3million). Cash as at 31 December 2012 was $4.1 million (2011: $3.1 million) and net debt was $3.9 million (2011: $6.9m).

A new $15 million banking facility has been arranged since the year end with SunTrust Bank for a term of five years to January 2018. We have reduced the interest margin by 1%, the full benefit of which will not be seen until our hedge against future interest rate increases unwinds. The facility is comprised of a term loan of $8.0 million, which was fully drawn down as of 31 March 2013, and a $7.0 million revolver which was unused as of 31 March 2013.

Cash earn-outs payments due in 2013 total $3.84 million. These were paid in March and April 2013.

Taxation

The effective tax rate for 2012 was 30.6%, which is expected to remain at a similar rate in 2013.

Dividends

The Board proposes a final dividend of 0.6 pence per share (2011: nil) payable on 12 July 2013 to shareholders on the register at 31 May 2013. The ex-dividend date is 29 May 2013.

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 2012	Period ended 31 December 2011
Adjusted EBITDA[4]	$6.6 million	$6.1 million*
Adjusted EBITDA margin[5]	43.5%	44.3%
Loss before tax	$79,000	$3.2 million
Contracted revenue (approximately)	$40 million	$30 million
Number of net new client wins	52	21
Debtor collection days	56 days	58 days

*Unaudited pro forma for 2011

TLA client DeMarco Murray

TLA client Jim Furyk

Governance

Board of directors

Bart Campbell

42, Non-executive Chairman

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

During his tenure as CEO of Essentially, Bart grew the business from 20 to 120 professionals with offices in London, Australia, South Africa, New Zealand, India and Japan. He is a former practising 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.

Michael Principe

42, Chief Executive

Mike, the chief executive of TLA, has over 15 years of experience in the sports and entertainment industry. 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 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., including serving as a member of its executive committee and that of executive vice president and as general counsel. As one of the most accomplished executives and dealmakers in sports, Mike has participated in over 35 transactions with an aggregate value in excess of $600 million.

He is a member of the New York Bar and the Sports Lawyers Association. He has been named in the Sports Business Journal's prestigious Forty Under 40 list.

Greg Genske

41, Executive Director

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.

Gareth Jones

30, Chief Financial Officer (Appointed 29 November 2012)

Gareth joined TLA having previously advised the Company on its flotation while working for Cenkos Securities. Prior to Cenkos, Gareth spent four year within the Audit and Assurance practice of Ernst & Young where he gained experience working on companies varying in size from start-ups to FTSE 100 clients. Gareth is a chartered accountant and is a member of the Institute of Chartered Accountants of Scotland.

Keith Sadler

54, Senior Independent Non-Executive Director

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

Andrew Wilson

53, Non-Executive Director (Appointed 14 March 2012)

Andrew joined the Board on 14 March 2011 as a non-executive director. Andrew is currently a non-executive director of Dods Group PLC, Restore plc, Impellam Group plc, GHP AB, Weare2020 plc, SUSD Asset Management (Holdings) PLC, Shellproof Limited and Shellshock Limited. He is also a non-executive director of a number of private companies, including Artefact Partners Limited and Pluto Capital Limited.

Andrew Pearson

54, Non-Executive Director (Appointed 1 June 2012)

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 and M&A projects for banks and private equity funds.

TLA client Ricky Romero

Principal risks and uncertainties

The management of the business and the execution of the Group's strategic plans are subject to a number of risks. The key business risks identified affecting the Group are set out here.

Reliance on key managers

Athlete representation is a people business, which relies on its agents to remain within the structure to maximise revenues by maintaining and attracting clients to the TLA roster. If key agents leave this may place risk on future revenues. The compensation structure of the key agents is aligned with the success of the venture. All current agents have been signed to long-term service agreements with restrictive covenants. Principal agents also have a significant portion of their acquisition proceeds tied up in TLA Worldwide shares, which aligns their interest with that of the shareholders.

Margin erosion

There is the potential for margin erosion through the reduction of agents' fees. However, the recent MLB CBA agreement and the MLBPA's stance on agents' remuneration afford the business protection, as do the multi-year contracts already in place.

Suitable acquisitions and access to capital

The Group's expansion strategy includes selective acquisitions and the availability of debt or equity to fund future acquisitions may be limited or difficult to obtain.

Execution

The ability of the Group to deliver incremental revenues through the co-ordination of new business activity is dependent on the availability of senior personnel to help convert leads and cross-refer business.

Look forward statements

Statements contained in these financial statements, including the business review, principal risks and uncertainties, the directors' report and the directors' remuneration report may constitute forward-looking statements that are based on the Board's current expectations, assumptions and projections about the group and the sector, which contains risks and uncertainties. The Group's actual results could differ materially from those anticipated in these forward-looking statements as a result of other factors.

Directors' report

The directors present their report together with financial statements for the year ended 31 December 2012. During the year the Company acquired the business and assets of Peter E Greenberg & Associates.

Principal activity

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

Business review

The Company is required by the Companies Act to include a business review in this report. The requisite information is included in the following sections, which are deemed to be incorporated by reference:

- Chairman's statement on page 6
- Chief Executive's review on page 8
- Finance review beginning on page 12
- Directors' remuneration report on page 26

Results and dividends

The Group loss before taxation for the year to 31 December 2012 was $79,000 (2011: 23-day period: $3,221,000). The directors are proposing that the Company pay a dividend of 0.6 pence per share. This will be payable on 12 July to shareholders on the register at 31 May. The ex-dividend date will be 29 May.

Future developments

The future development of the Group is set out in the Chairman's statement on page 6 and the Chief Executive's review on page 8.

Political and charitable donations

No political or charitable donation were made during the period (2011: $nil).

Directors' interests

The present membership of the Board, together with biographies on each, is set out on page 12. All of these directors served throughout the period, except Andrew Wilson, who joined the board on 14 March 2012, Andrew Pearson, who joined the board on 1 June 2012 and Gareth Jones, who joined the board on 29 November 2012. Directors' interests in shares in the Company are set out in the directors' remuneration report on page 26.

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

Health and safety

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

Supplier payment policy

It is the Group's policy and practice to settle its suppliers accounts on due dates according to agreed terms of credit. The creditor days across the Group for the year were 23 days (2011: 23 days). The Group has $1.7 million of trade and other payables as at 31 December 2012.

Share capital structure

Details of the Company's share capital are set out in note 20 of the financial statements.

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

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

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

Financial instruments

Details of the financial risk management objectives and policies of the Group, including hedging policies, are given in note 27 of the financial statements.

Substantial shareholdings

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

	Number of shares	Equity %
ISIS Equity Partners	17,880,952	20.44
Strand Associates Limited	14,471,739	16.54
Octopus Investments	10,000,000	11.43
Amati Global Investments	6,275,000	7.17
F&C Investments	5,959,000	6.81
S Parker	3,719,527	4.25
B Peters	3,719,521	4.25
L&G Investments Management	2,652,000	3.03

During the period between 31 December 2012 and 19 April 2013 the Company did not receive any notifications under chapter 5 of the Disclosure and Transparency Rules.

Going concern

The directors have reviewed forecasts for the years ending 31 December 2013 and 31 December 2014. For this reason they continue to adopt the going concern basis in preparing the financial statements. See page 32 for more detail.

Corporate and social responsibility

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

Annual General Meeting

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

Auditor

Each of the directors at the date of the approval of this Annual Report confirms that:

- So far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- The director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This conformation is given and should be interpreted on accordance with the provision of s418 of the Companies Act 2006. The auditor, Deloitte LLP, has indicated its willingness to remain in office. A resolution that they be re-appointed will be proposed at the Annual General Meeting.

By order of the Board

Dwight Mighty
Company Secretary
22 April 2013

Directors' remuneration report

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

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

The Remuneration Committee

The Remuneration Committee is comprised of:

- Andrew Wilson (chairman) (who replaced Peter Moore on the Remuneration Committee, who resigned on 14 March 2012. Mr Wilson also became chairman, taking over from Mr Sadler)
- Keith Sadler (chairman up to 14 March 2012)
- Bart Campbell

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

The committee met three times during the period.

The company secretary is the secretary to the committee.

The committee seeks input from the chief executive officer and the company secretary. The committee makes reference to external evidence of pay and employment conditions in other companies and is free to seek advice from external advisers.

Remuneration policy

The Group's policy on remuneration for the current period and, so far as is practicable for subsequent years, is set out below. However, the Remuneration Committee believes that it should retain the flexibility to adjust the remuneration policy in accordance with the changing needs of the business. Any changes in the policy in subsequent years will be detailed in future reports on remuneration. The Group must ensure that its remuneration arrangement attract and retain people of the right calibre in order to ensure corporate success and to enhance shareholder value. Its overall approach is to attract, develop, motivate and retain talented

people at all levels, by paying competitive salaries and benefits to all staff and encouraging its staff to hold shares in the group. Pay levels are set to take account of contribution and individual performance, wage levels elsewhere in the Group and with reference to relevant market information. The Group seeks to reward its employees fairly and give them the opportunity to increase their earnings by linking pay to achieving business and individual targets.

The Board believes that share ownership is an effective way of strengthening employees' involvement in the development of the business and bringing together their interest and those of shareholders and as such anticipates granting a share option scheme to key employees in the future.

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

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

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

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

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

Non-executive directors' fees

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

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

Remuneration components: executive directors

A significant proportion of each executive 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:

- Michael Principe: up to 100%
- Greg Genkse: no bonus
- Gareth Jones: up to 25%

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 is currently being put into place.

Unaudited director remuneration

The total amount of the directors' of the Company for the year ended 31 December 2012 is shown below:

	2012	2011
Aggregate emoluments	$874,000	$53,000

The emoluments of the directors are shown below:

Executive directors	2012 fees and salary ($000)	2012 benefit in kind ($000)	2012 Total	2011* Total
Michael Principe	300	2	302	20
Greg Genske	300	38	338	21
Gareth Jones**	8	1	9	n/a
	608	**41**	**649**	**41**
Non-executive directors				
Bart Campbell	73	–	73	4
Keith Sadler	64	–	64	4
Andrew Wilson***	51	–	51	n/a
Andrew Pearson****	24	–	24	n/a
Peter Moore†	13	–	13	4
Aggregate emoluments	**833**	**41**	**874**	**53**

* 2011 represents a 23-day period
** Appointed 29 November 2012
*** Appointed 14 March 2012
**** Appointed 1 June 2012
† Resigned 14 March 2012

Directors' service agreement and letters of appointment

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

	Date of contract	Period	Company with whom contracted
Michael Principe	8 December 2011	5 years	The Legacy Agency Inc.
Greg Genske	8 December 2011	5 years	The Legacy Agency Inc.
Gareth Jones	19 March 2012	Notice period of up to 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, details of which are as follows:

	Date of contract	Notice period	Company with whom contracted
Bart Campbell	16 September 2011	12 months	TLA Worldwide plc
Keith Sadler	16 August 2011	6 months	TLA Worldwide plc
Peter Moore*	16 August 2011	6 months	TLA Worldwide plc
Andrew Wilson**	14 March 2012	6 months	TLA Worldwide plc
Andrew Pearson	1 June 2012	6 months	TLA Worldwide plc

* Resigned 14 March 2012

** Appointed 14 March 2012

Directors' interests in shares

The interests of the directors in the share capital of the Company at 31 December 2012 and 31 December 2011 were as follows:

	Number of shares	Equity %
Bart Campbell*	1,179,257	1.35
Michael Principe	2,040,377	2.33
Greg Genske**	3,719,527	4.25
Greg Genske**	8,281,897	–

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

** Mr Genske has an interest in 3,719,527 shares, issued on 28 December 2012, via the Genske Life Trust, and a further 8,281,897 Ordinary Shares by virtue of him being a vendor of LS Legacy Group Sports LLC. These Ordinary Shares represent deferred consideration, which will be issued on the second anniversary of completion of the transaction.

Pensions

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

Non-executive directorships

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

Other related party instructions

No director of the Company has, or had, a disclosable interest in any contracts of significant subsisting during or at the end of the period. Disclosable transactions by the Group under IAS24, Related Party Disclosures, are set out in note 25. There have been no other disclosable transactions by the Company and its subsidiaries with Directors of Group companies and with substantial shareholders.

By order of the Board

Andrew Wilson
Chairman, Remuneration Committee
21 April 2013

Corporate governance report

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. While the Group does not fully comply with the Code, it applies a level of corporate governance appropriate for a company of its size. This statement describes how the principles of corporate governance are applied.

The Board

The Board of TLA Worldwide plc is comprised of the chairman, the chief executive officer, the chief financial officer, an executive director and three non-executive directors. Short biographical details of each director are set out on page 20. 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, Keith Sadler and Greg Genske will retire at the upcoming AGM and, being eligible for re-election, offer themselves for re-election. Andrew Pearson and Gareth Jones offer themselves for election as directors.

Board committees

REMUNERATION COMMITTEE

The composition of the Remuneration Committee is disclosed on page 26 and comprises solely non-executive directors. The Remuneration Committee, on behalf of the Board, meets as and

when necessary to review and approve as appropriate the contract terms, remuneration and other benefits of the executive directors and senior management and major remuneration plans for the Group as a whole.

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

The remuneration committee approves remuneration packages sufficient to attract and motivate executive directors required to run the Group successfully, but does not pay more than is necessary for this service.

All the decisions of the Remuneration Committee on remuneration matters in the period ending 31 December 2012 were reported to and endorsed by the Board. Further details of the Group's policies on remuneration and service contracts and are given in the directors' remuneration report on page 26.

Visit our website at www.tlaww-plc.com for regular corporate governance updates

AUDIT COMMITTEE

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

NOMINATIONS COMMITTEE

The Nominations Committee comprises the chairman and the non-executive directors. It is responsible for monitoring the composition and balance of the Board and making recommendations to the Board on potential new Board appointments.

COMPANY SECRETARY

The Company secretary is responsible for advising the Board through the chairman on all governance issues. All directors have access to the advice and services of the Company secretary.

ATTENDANCE AT BOARD AND COMMITTEE MEETINGS

Meeting	Board	Audit	Remuneration
Bart Campbell (A)(R)	13	2	2
Michael Principe	14	–	–
Gareth Jones*	1	–	–
Greg Genske	8	–	–
Keith Sadler (A)(R)	14	2	3
Andrew Wilson** (A)(R)	12	2	3
Andrew Pearson***	7	–	–
Total meetings held	**14**	**2**	**3**

* Maximum possible board meetings: 1
** Maximum possible board meetings: 12
*** Maximum possible board meetings: 7

(A) Audit Committee member
(R) Remuneration Committee member

The directors have reviewed forecasts for the years ending 31 December 2013 and 31 December 2014. 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.

Relationship with shareholders

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

Internal control

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

Management structure

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

Financial reporting

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

Monitoring of controls

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

Going concern

The directors have reviewed forecasts for the years ending 31 December 2013 and 31 December 2014. 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, as set out in note 28. Based on this work, the directors are satisfied that Group has adequate resources to continue in operational existence for the foreseeable future. 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 endeavors to take into account the interests of the Group's stakeholders including investors, employees, suppliers and business partners when operating the business.

Employment

At a subsidiary level each individual company has established polices which addresses key corporate objectives in the management of employee relations, communications and employee involvement, training and personal development and equal opportunity. The Board recognises 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.

By order of the Board

Dwight Mighty
Company Secretary
21 April 2013

Directors' responsibilities statement

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 to disclose with reasonable accuracy at any time the financial position of the Company and enable it to ensure that the financial statements

comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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 management report, which is incorporated into the directors' 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.

By order of the Board

Michael Principe
Group Chief Executive
21 April 2013

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

We have audited the group financial statements of TLA Worldwide plc for the year ended 31 December 2012, which comprise the Group Income Statement, the Group Statement of Comprehensive Income, the Group Balance Sheet, the Group Statement of Changes in Equity, the Group Statement of Cash Flows and the related notes 1 to 28. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the group financial statements:

- give a true and fair view of the state of the group's affairs as at 31 December 2012 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Other matters

We have reported separately on the parent company financial statements of TLA Worldwide plc for the year ended 31 December 2012.

For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Gatwick

Ian Smith
Senior Statutory Auditor
21 April 2013

Group income statement

For the year ended 31 December 2012

	Note	Year ended 31 December 2012 ($000)	23-day period to 31 December 2011 ($000)
Revenue	**1**	**15,082**	**175**
Cost of sales		(585)	(4)
Gross profit		**14,497**	**171**
Administrative expenses		(13,293)	(3,273)
Operating profit/(loss) from operations		**1,204**	**(3,102)**
Operating profit/(loss) before exceptional costs		**2,154**	**(808)**
Exceptional and acquisition related costs	4	(950)	(2,294)
Operating profit/(loss) from operations		**1,204**	**(3,102)**
Finance costs	2	(1,283)	(119)
Loss before taxation	**4**	**(79)**	**(3,221)**
Taxation	8	(1,117)	537
Loss for the period from continuing operations attributable to the equity holders in the company		**(1,196)**	**(2,684)**
Loss per share from continuing operations			
Basic (cents)	3	1.19	2.72
Diluted (cents)	3	1.19	2.72

Group statement of comprehensive income

For the year ended 31 December 2012

	Year ended 31 December 2012 ($000)	23-day period to 31 December 2011 ($000)
Loss after taxation	**(1,196)**	**(2,684)**
Exchange differences on translation of overseas operations	(88)	174
Loss for the period attributable to the equity holders in the company	**(1,284)**	**(2,510)**

Group balance sheet

For the year ended 31 December 2012

	Note	Year ended 31 December 2012 ($000)	Restated* 31 December 2011 ($000)
NON-CURRENT ASSETS			
Intangible assets – goodwill	10	29,022	24,229
Other intangible assets	11	22,407	22,661
Property, plant and equipment	12	37	4
Deferred tax asset	9	1,055	973
		52,521	**47,867**
CURRENT ASSETS			
Trade and other receivables	14	3,698	3,781
Cash and cash equivalents		4,124	3,115
		7,822	**6,896**
Total assets		**60,343**	**54,763**
CURRENT LIABILITIES			
Trade and other payables	15	(1,870)	(3,447)
Borrowings	16	(1,907)	(1,907)
Deferred consideration	18	(4,005)	(303)
		(7,782)	**(5,657)**
Net current assets		**40**	**1,239**
NON-CURRENT LIABILITIES			
Borrowings	16	(5,799)	(7,626)
Deferred consideration	18	(12,103)	(14,791)
Derivative financial instruments	17	(129	(78)
Other payables		(10)	(8)
		(18,041)	**(22,503)**
Total liabilities		**(25,823)**	**(28,160)**
Net assets		**34,520**	**26,603**
EQUITY			
Share capital	20	2,741	1,985
Share premium	21	23,396	16,262
Shares to be issued	21	12,177	10,866
Foreign currency reserve	21	86	174
Retained loss	21	(3,880)	(2,684)
Total equity		**34,520**	**26,603**

The financial statements of TLA Worldwide PLC, registered company number 7741649, were approved by the Board of Directors and authorised for issue on 21 April 2013. They are signed on its behalf by **Michael Principe (Chief Executive), 21 April 2013.**

* The restatement of goodwill relates to the reassessment of fair value of assets and consideration payable on a prior year acquisition. See notes 10 and 13

Group statement of changes in equity

	Share capital ($000)	Share premium ($000)	Shares to be issued ($000)	Foreign currency reserve ($000)	Retained earnings ($000)	Total ($000)
Balance at 16 August 2011	**–**	**–**	**–**	**–**	**–**	**–**
Total comprehensive income for period	–	–	–	174	(2,684)	(2,510)
Equity issued during the period	1,985	17,095	–	–	–	19,080
Equity costs charged during the period	–	(833)	–	–	–	(833)
Deferred consideration to be settled in equity	–	–	10,866	–	–	10,866
Balance at 31 December 2011	**1,985**	**16,262**	**10,866**	**174**	**(2,684)**	**26,603**
Total comprehensive income for period	–	–	–	(88)	(1,196)	(1,284)
Equity issued during the period	756	7,332	–	–	–	8,088
Equity costs charged during the period	–	(198)	–	–	–	(198)
Deferred consideration to be settled in equity	–	–	1,311	–	–	1,311
Balance at 31 December 2012	**2,741**	**23,396**	**12,177**	**86**	**(3,880)**	**34,520**

Group statement of cash flows

For the year ended 31 December 2012

	Note	Year ended 31 December 2012 ($000)	23-day period to 31 December 2011 ($000)
Net cash from operating activities	**23**	**2,421**	**315**
INVESTING ACTIVITIES			
Purchases of property, plant and equipment		(41)	(4)
Deferred consideration paid		(303)	–
Acquisition of subsidiary undertakings	13	(2,410)	(24,522)
Net cash used in investing activities		**(2,754)**	**(24,526)**
FINANCING ACTIVITIES			
Interest paid		(492)	(32)
(Repayment of bank loans)/new bank loans raised	16	(2,000)	10,000
Fees paid on issue of new bank loans		–	(476)
Issue of shares for cash consideration (net of issue costs)		3,834	17,834
Net cash from financing activities		**1,342**	**27,326**
Net increase in cash and cash equivalents		1,009	3,115
Cash and cash equivalents at beginning of period		3,115	–
Cash and cash equivalents at end of period		**4,124**	**3,115**

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 chief executive and finance review on pages 8 to 17.

These financial statements are presented in US dollars because that is the currency of the primary economic environment in which the Group operates.

Adoption of new and revised standards

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

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

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

ADOPTION OF NEW AND REVISED STANDARDS

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

The directors anticipate that the adoption of these standards and interpretations in future periods will have no material impact on the financial statements of the Group.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these consolidated financial statements.

Judgements made by the directors in the application of these accounting policies that have a significant effect on the consolidated financial statements together with estimates with significant risk of material adjustment in the next year are discussed in note 26.

Going concern

The directors have reviewed the forecasts for the years ending 31 December 2013 and 31 December 2014. 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 and compared the level of borrowing facilities. Based on this work, the directors are satisfied that Group has adequate resources to continue in operational existence for the foreseeable future despite the current economic uncertainty. For this reason they continue to adopt the going concern basis in preparing the financial statements.

BASIS OF ACCOUNTING

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

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

BASIS OF CONSOLIDATION

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

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

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

Business combinations

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

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

These financial statements are presented in US dollars because that is the currency of the primary economic environment in which the Group operates

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

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

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

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

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

REVENUE

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

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

1) Representation revenue

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

2) Signing bonuses

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

3) Endorsement revenue

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

COST OF SALES

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

PROPERTY, PLANT AND EQUIPMENT

The fixtures and fittings are stated at cost. Depreciation is computed on the straight-line method using an estimated useful life ranging from three to 15 years. Repairs and maintenance are charged to expense in the year incurred; major improvements and new assets are capitalised and depreciated using an estimated useful life ranging from three to five years. The estimated useful lives are as follows:

- Fixtures and fittings: three to five years

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

INTANGIBLE ASSETS AND GOODWILL

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

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

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

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

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

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

- Client contracts – over life of the contract
- Customer relationships – six to eight years

IMPAIRMENT

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

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then to reduce the carrying amount of other assets in the unit on a pro rata basis. A cash generating unit is the

smallest identifiable group of assets that generates cash inflows that are largely independent of the cash flow from other assets or group of assets. Details of which are set out in note 10.

TAXATION

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

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

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

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

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

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

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

Foreign currencies

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

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

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

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

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

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

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

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

Bank borrowings

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

Finance costs

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

Operating leases

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

Cash and cash equivalents

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

Financial instruments

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

FINANCIAL ASSETS

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the time frame 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 reorganisation.

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

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

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

FINANCIAL LIABILITIES AND EQUITY

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

EQUITY INSTRUMENTS

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

FINANCIAL LIABILITIES

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

FINANCIAL LIABILITIES AT FVTPL

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

A financial liability is classified as held for trading if:

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

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

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

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

OTHER FINANCIAL LIABILITIES

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

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

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

DERECOGNITION OF FINANCIAL LIABILITIES

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

DERIVATIVE FINANCIAL INSTRUMENTS

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

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

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

Trade receivables

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

Investments

Investments are recognised and derecognised on a trade date where a purchase or sale of an investment is under contract whose terms require the delivery of the investment within the time frame 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.

Trade payables

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

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 intra-group transactions, and exceptional items (see note 4). The Group derives its revenues in the United States of America.

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

Sports marketing: primarily assists the off-field activities of athletes; in addition it represents broadcasters and coaches in respect of their contract negotiations.

All of the Group's revenue arises through the rendering of services.

IFRS 8 paragraph 34 requires disclosure of revenues by customer for each customer that generates in excess of 10 per cent of the Group's total revenues in a period. In the year ended 31 December 2012, there were no clients who generated in excess of 10 per cent of total revenue (23-day period ended 31 December 2011: one).

YEAR ENDED 31 DECEMBER 2012

	Baseball representation ($000)	Sports marketing ($000)	Unallocated ($000)	Total ($000)
Revenues	10,065	5,017	–	15,082
Cost of sales	(355)	(230)	–	(585)
Gross profit	**9,710**	**4,787**	**–**	**14,497**
Operating expenses excluding depreciation, amortisation and exceptional items	(4,246)	(2,262)	(1,423)	(7,931)
Adjusted EBITDA[4]	**5,464**	**2,525**	**(1,423)**	**6,566**
Amortisation of intangibles arising on acquisition	(3,081)	(1,323)	–	(4,404)
Depreciation	(5)	(1)	(2)	(8)
Exceptional and acquisition related costs (see note 4)	–	–	(950)	(950)
Operating profit/(loss)	**2,378**	**1,201**	**(2,375)**	**1,204**
Finance costs				(1,283)
Loss before tax				**(79)**
Tax				(1,117)
Loss for the period				**(1,196)**
Assets	44,373	14,463	1,507	60,343
Liabilities	(564)	(1,157)	(24,102)	(25,823)
Capital employed	**43,809**	**13,306**	**(22,595)**	**34,520**

23-DAY PERIOD TO 31 DECEMBER 2011

	Baseball Representation ($000)	Sports Marketing ($000)	Unallocated ($000)	Total ($000)
Revenues	19	156	–	175
Cost of sales	–	(4)	–	(4)
Gross profit	**19**	**152**	**–**	**171**
Operating expenses excluding depreciation, amortisation and exceptional items	(289)	(155)	(242)	(686)
Adjusted EBITDA[4]	**(270)**	**(3)**	**(242)**	**(515)**
Amortisation of intangibles arising on acquisition	(192)	(101)	–	(293)
Exceptional and acquisition related costs (see note 4)	–	–	(2,294)	(2,294)
Operating loss	**(462)**	**(104)**	**(2,536)**	**(3,102)**
Finance costs				(119)
Loss before tax				**(3,221)**
Tax				537
Loss for the period				**(2,684)**
Assets	37,640	13,926	3,197	54,763
Liabilities	(1,257)	(228)	(26,675)	(28,160)
Capital employed	**36,383**	**13,698**	**(23,478)**	**26,603**

* Restated to reflect change in fair value of assets acquired see note 10 and 13.

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 2012 ($000)	23-day period to 31 December 2011 ($000)
Interest on bank overdrafts and other loans	(493)	(32)
Total interest expense	**(493)**	**(32)**
Fair value lose on interest rate swaps	(51)	(78)
Amortisation of borrowing costs over the term of the loan	(173)	(9)
Amortisation of discount on deferred consideration	(566)	–
Total finance costs	**(1,283)**	**(119)**

3. Earnings/(loss) per share

	Year ended 31 December 2012 (¢)	23-day period to 31 December 2011 (¢)
Basic and diluted loss per share	(1.19)	(2.72)

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

Loss	Year ended 31 December 2012	23-day period to 31 December 2011
Loss for the purposes of basic earnings per share being net loss attributable to owners of the company	($1,196,000)	($2,684,000)
Number of shares		
Weighted average number of shares in issue	65,469,620	63,860,990
Weighted average deferred consideration shares to be issued	34,905,521	34,802,015
Weighted average number of shares for the purposes of basic loss per share	100,375,141	98,663,005

Adjusted earnings per share (see below)

	Year ended 31 December 2012 (¢)	23-day period to 31 December 2011 (¢)
Basic adjusted earnings per share	4.19	0.03
Diluted adjusted earnings per share	4.19	0.03

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

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

	Year ended 31 December 2012 ($000)	23-day period to 31 December 2011 ($000)
Loss attributable to shareholders	**(1,196)**	**(2,644)**
Adjusted for exceptional and acquisition related costs (see note 4)	950	2,294
Amortisation of acquired intangible assets	4,404	293
Fair value loss on interest rate swap	51	78
Adjusted earnings	**4,209**	**21**

4. Loss before taxation

The following are included in loss before tax:

	Year ended 31 December 2012 ($000)	23-day period to 31 December 2011 ($000)
Depreciation of property, plant and equipment	8	–
Amortisation of other intangible assets	4,404	293
Exceptional and acquisition related costs (see below)	950	2,294
Net foreign exchange losses	18	–
Staff costs (see note 7)	4,366	333
Auditors remuneration (see note 5)	204	660

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

	Year ended 31 December 2012 ($000)	23-day period to 31 December 2011 ($000)
Acquisition related costs	614	1,031
Integration costs	406	1,263
Loyalty bonus arising on acquisition	250	–
Fair value movement on valuation of deferred consideration	(320)	–
Total exceptional and acquisition related costs	**950**	**2,294**

5. Auditor's remuneration

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

	Year ended 31 December 2012 ($000)	23-day period to 31 December 2011 ($000)
Fees payable to the Company's auditor and their associates for the audit of the Company's annual accounts	135	101
Total audit fees	**135**	**101**
Other taxation advisory services	69	132
Corporate finance services	–	427
Total non-audit fees	69	559
Total fees	**204**	**660**

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 2012 ($000)	23-day period to 31 December 2011 ($000)
SHORT-TERM BENEFITS		
Salaries including bonuses	608	41
Social security costs	14	5
Healthcare and other costs	41	14
Total Remuneration	**663**	**60**

Further information in respect of directors is given in the Directors' Remuneration table on page 28.

7. Staff costs

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

	2012 (number)	2011 (number)
Administration/Support	28	11
Agents	19	16
Executive directors	4	3
Total	**51**	**30**

Their aggregate remuneration comprised:

	Year ended 31 December 2012 ($000)	23-day period to 31 December 2011 ($000)
Wages and salaries	3,622	294
Social security costs	161	19
Other costs	583	20
Total	**4,366**	**333**

8. Tax

	Year ended 31 December 2012 ($000)	23-day period to 31 December 2011 ($000)
UK TAXES		
Current year	–	–
US TAXES		
Current year	(1,420)	(65)
Adjustments in respect of prior year	221	–
	(1,199)	–
Deferred tax (note 9)	82	602
Total tax	**(1,117)**	**537**

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 2012 ($000)	23-day period to 31 December 2011 ($000)
Loss before tax on continuing operations	**(79)**	**(3,221)**
Tax credit at the US corporation tax rate of 40% (23-day period ended 31 December 2011: 40%)	32	1,289
EFFECTS OF:		
Tax losses utilised in the year	497	–
Expenses not deductible for tax purposes	(1,358)	–
Other timing differences	(477)	–
Adjustments to tax charge for prior period	221	–
Unrecognised deferred tax asset	–	(687)
Effect of different tax rates of entities operating in other jurisdictions	(32)	(65)
Tax (charge)/credit for the year	**(1,117)**	**537**

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 *as restated ($000)	Total ($000)
At 16 August 2011	**–**	**–**	**–**	**–**	**–**
Arising on acquisition	(9,181)	9,181	–	371	–
Credit to income	115	–	487	–	602
At 31 December 2011	**(9,066)**	**9,181**	**487**	**371**	**973**
Arising on acquisition	(1,660)	1,660	–	–	–
Credit/(charge) to income	1,773	(1,296)	(395)	–	82
At 31 December 2012	**(8,953)**	**9,545**	**92**	**371**	**1,055**

	2012 ($000)	2011 ($000)
Deferred tax asset	10,008	10,040
Deferred tax liability	(8,953)	(9,067)
Total	**1,055**	**973**

At the balance sheet date, the Group has unused tax losses of $1.9 million (2011: $3.2 million) available for offset against future profits. A deferred tax asset has been recognised in respect of $0.2 million (2011: $1.5 million); of such losses. No deferred tax asset has been recognised in respect of the remaining $1.7 million (2011: $1.7 million) as it is not considered probable that there will be future taxable profits available. The whole unrecognised loss balance may be carried forward indefinitely.

* As the Legacy and Agency acquisitions occurred in December 2011 it was impractical to accurately determine the fair value of acquired assets. The 2011 balance sheet has been restated following the completion of the valuation exercise.

10. Goodwill

	2011 *as restated ($000)
COST AND NET BOOK VALUE	
At 31 December 2011 (as previously stated)	**24,055**
Restatement	174
At 31 December 2011 (as restated)	**24,229**
Acquisition of subsidiaries	4,793
At 31 December 2012	**29,022**
ACCUMULATED IMPAIRMENT LOSS	
At 31 December 2011	**–**
Impairment for the year	–
At December 2012	**–**
Carrying amount at 31 December 2011	24,229
Carrying amount at 31 December 2012	**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. Before recognition of impairment losses, the carrying amount of goodwill had been allocated as follows:

	2012 ($000)	2011 *as restated ($000)
Legacy	18,109	18,109
PEG	4,793	–
Baseball representation	**22,902**	**18,109**
Agency	6,120	6,120
Sports marketing	**6,120**	**6,120**
Total – TLA Worldwide	**29,022**	**24,229**

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

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

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

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

The Group has conducted a sensitivity analysis on the impairment test of each CGUs carrying value. A decline of 15% to cash flows 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% (2011: 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 2012.

11. Other intangible assets

	Client contracts ($000)	Customer relationships ($000)	Total ($000)
COST			
At 16 August 2011	**–**	**–**	**–**
Acquisition of subsidiaries	7,499	15,455	22,954
At 31 December 2011	**7,499**	**15,455**	**22,954**
Acquisition of subsidiaries	1,666	2,484	4,150
At 31 December 2012	**9,165**	**17,939**	**27,104**
ACCUMULATED AMORTISATION			
At 16 August 2011	**–**	**–**	**–**
Charge for the year	(189)	(104)	(293)
At 31 December 2011	**(189)**	**(104)**	**(293)**
Charge for the year	(2,920)	(1,484)	(4,404)
At 31 December 2012	**(3,109)**	**(1,588)**	**(4,697)**
CARRYING AMOUNT			
At 31 December 2011	7,310	15,351	22,661
At 31 December 2012	**6,056**	**16,351**	**22,407**

12. Property plant and equipment

	Fixtures and fittings ($000)	Total ($000)
COST		
At 16 August 2011	**–**	**–**
Additions	4	4
At 31 December 2011	**4**	**4**
Additions	41	41
At 31 December 2012	**45**	**45**
ACCUMULATED DEPRECIATION		
At 16 August 2011	**–**	**–**
Charge for period	–	–
At 31 December 2011	**–**	**–**
Charge for year	(8)	(8)
At 31 December 2012	**(8)**	**(8)**
CARRYING AMOUNT		
At 31 December 2011	4	4
At 31 December 2012	**37**	**37**

13. Acquisitions

PETER E GREENBERG & ASSOCIATES (PEG)

On 11 November 2012, through its wholly owned subsidiary TLA Acquisitions Limited, the Group acquired the trade and certain assets of PEG. The Company focuses on baseball representation and has 13 Major League Baseball, including five All-star, players as clients. The consideration for PEG was made up as follows:

- initial cash consideration of $3.1 million, reduced by a working capital adjustment of $0.7 million, payable on completion;
- a further payment in cash of $0.2 million on 31 July 2013;
- $1.3m satisfied by the issue of the TLA (NY) Inc. consideration shares upon completion of the acquisition (which can, in accordance with the terms of the exchange agreement, be exchanged for 3,326,029 Ordinary Shares in the capital of TLA Worldwide plc at any time at the option of the vendors); and
- up to $7.1million, payable in five earn-out payments. These earn-out payments can be earned if either the individual annual EBIT targets or the cumulative five-year EBIT target are met or exceeded. The Company has the option to pay 30% of each earn-out in shares instead of cash. Management has assigned a fair value of £4.9m to these payments.

	Book value at acquisition ($000)	Revaluations ($000)	Provisional fair value ($000)
Intangible assets	–	4,150	4,150
Tangible assets	6	(6)	–
Trade and other receivables	46	–	46
Trade and other payables	(247)	–	(247)
Total	**(195)**	**4,144**	**3,949**
Goodwill			4,793
Purchase consideration			**8,742**
Less deferred payable in cash discounted to present value			(5,021)
Less TLA (NY) Inc. shares on acquisition			(1,311)
Cash outflow on acquisition			**2,410**

The goodwill of $4.8 million arising from the acquisition consists of synergies arising from the acquisition, the acquiree's assembled workforce and anticipated future profits arising from access to new markets. $4.8m of the goodwill is expected to be deductible for income tax purposes.

The fair value of the 3,326,029 Ordinary Shares issued as part of the consideration paid for PEG ($1.3 million) was determined at a value of 24.5 pence per share, being the average price at which the Group's Ordinary Shares were traded on AIM during the period of seven (7) days ending at the close of trading on 16 October 2012). This valuation has been used as TLA (NY) Inc. shares are convertible at any time at the vendor's option into TLA Worldwide plc shares. The conversion of these shares is not contingent on any future events.

The contingent consideration arrangement requires the PEG business to achieve set earnings targets over a five-year period. The potential undiscounted amount of all future payments that TLA Worldwide plc could be required to make under the contingent consideration arrangement is between $nil and $7.1million.

The fair value of the contingent consideration arrangement of $4.9 million (discounted to present value) was estimated based on the anticipated earnings of PEG.

Acquisition-related costs (included in exceptional items) amount to $0.6 million. PEG contributed $0.3 million revenue and a loss of $0.5 million to Group's loss for the period between the date of acquisition and the balance sheet date. It is not deemed practical to disclose revenue or profit if the acquisition occurred on 1 January 2012 as PEG historically produced financial statements on a cash basis.

FAIR VALUE ADJUSTMENTS IN RESPECT TO PRIOR YEAR ACQUISITIONS: AGENCY

On 8 December 2011, through its wholly owned subsidiary TLA Acquisitions Limited, the Group acquired certain business and assets of Goal Marketing Group and The Agency Sports Management LLC.

The fair value of net assets acquired has been revised since the provisional figures stated in the 31 December 2011 year-end accounts and are stated as follows:

	At 31 December 2011 [as previously stated] ($000)	Revaluations ($000)	Fair value ($000)
Intangible assets	7,042	–	7,042
Tangible assets	–	–	–
Deferred tax asset	–	101	101
Trade and other receivables	785	(297)*	488
Total	**7,827**	**(196)**	**7,631**
Goodwill	5,974	146	6,120
Consideration	**13,801**	**(50)**	**13,751**
Less deferred payable in cash discounted to present value	(4,113)		(4,113)
Less deferred consideration payable in equity	(3,866)		(3,866)
Less deferred consideration payable in cash or equity	(537)	50	(487)
Cash outflow on acquisition	**5,285**	**–**	**5,285**

* Amounts restated reflect receivables acquired which were impaired as a result of a fair value exercise undertaken in 2012, a change in the valuation applied to deferred consideration and an additional deferred tax asset recognised on acquisition.

The goodwill of $6.1 million arising from the acquisition consists of synergies arising from the acquisition, the acquiree's assembled workforce and anticipated future profits arising from access to new markets. $6.1 million of the goodwill is expected to be deductible for income tax purposes.

FAIR VALUE ADJUSTMENTS IN RESPECT TO PRIOR YEAR ACQUISITIONS: LEGACY

On 8 December 2011, through its wholly owned subsidiary TLA Acquisitions Limited, the Group acquired certain business and assets of Legacy. The Company focuses on baseball representation and has 13 Major League Baseball All-star players as clients.

The fair value of net assets acquired have been revised since the provisional figures stated in the 31 December 2011 year-end accounts and are stated as follows:

	At 31 December 2011 [as previously stated] ($000)	Revaluations ($000)	Fair value ($000)
Intangible assets	15,912	–	15,912
Tangible assets	–	–	–
Trade and other receivables	2,797	–	2,797
Deferred tax assets	–	270	270
Trade and other payables	(51)	(298)*	(349)
Long-term liabilities	(8)		(8)
Total	**18,650**	**(28)**	**18,622**
Goodwill	18,081	28	18,109
Consideration	**36,731**	**–**	**36,731**
Less deferred payable in cash discounted to present value			(6,710)
Less deferred consideration payable in equity			(7,000)
Less deferred consideration payable in cash or equity			(3,784)
Cash outflow on acquisition			**19,237**

* Amounts restated reflect additional liabilities acquired which were recognised as a result of a fair value exercise undertaken in 2012.

The goodwill of $18.1m arising from the acquisition consists of synergies arising from the acquisition, the acquiree's assembled workforce and anticipated future profits arising from access to new markets. $18.1m of the goodwill is expected to be deductible for income tax purposes.

14. Trade and other receivables

	2012 ($000)	2011 *as restated ($000)
Trade receivables	2,586	2,862
Other debtors	632	857
Current tax asset	360	–
Prepayments	120	62
Total	**3,698**	**3,781**

* Amounts restated reflect receivables acquired which were impaired as a result of a fair value exercise undertaken in 2012.

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 overleaf for aged analysis) which are past due at the reporting date but against which the Group has not recognised an allowance for doubtful receivables because there has not been a significant change in credit quality and the amounts are still considered recoverable. The average age of these receivables is 56 days (2011: 58 days).

AGEING OF PAST DUE BUT NOT IMPAIRED RECEIVABLES

	2012 ($000)	2011 *as restated ($000)
0–30 days	1,576	175
30–60 days	345	2,687
60–90 days	74	–
90–120 days	591	–
Total	**2,586**	**2,862**

* Amounts restated reflect additional liabilities acquired which were recognised as a result of a fair value exercise undertaken in 2012.

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.

15. Trade and other payables

	2012 ($000)	2011 *as restated ($000)
Amounts payable to providers of services	933	2,381
Accruals and other amounts payable	798	1,004
Current taxes payable	139	62
Total	**1,870**	**3,447**

* Amounts restated reflect additional liabilities acquired which were recognised as a result of a fair value exercise undertaken in 2012. See note 13.

Trade creditors and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 40 days (2011: 40 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.

16. Borrowings

	2012 ($000)	2011 ($000)
SECURED BORROWING AT AMORTISED COST		
Bank loans	8,000	10,000
Debt costs amortised over the life of the facility	(294)	(467)
Total	**7,706**	**9,533**
TOTAL BORROWINGS		
Amount due for settlement within 12 months	1,907	1,907
Amount due for settlement after 12 months	5,799	7,626
Total	**7,706**	**9,533**

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

- interest is charged at 4% above US LIBOR;
- the loan is secured against trade receivables and contracted revenue;
- repayments are made quarterly evenly over the life of the loan; and
- the loan is for five years and expires on 8 December 2016.

17. Derivative financial instruments

	2012 ($000)	2011 ($000)
Interest rate swap	129	78

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 2012 and had a fair value liability of $129,000 (31 December 2011: $78,000). In accordance with IAS 39 the loss has been recognised as an expense in the period.

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

	2012 ($000)	2011 ($000)
Within 6 months	224	257
In 6 to 12 months	192	235
1 to 5 years	481	897

18. 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:

	2012 ($000)	2011 *as restated ($000)
Payable in less than one year	4,005	303
Payable in one to two years	7,617	4,271
Payable in two to five years	6,695	10,660
Payable in more than five years	–	1,600
Impact of discounting on provisions payable in cash at the borrowing rate of 5.22%	(2,209)	(1,740)
Total deferred consideration payable	**16,108**	**15,094**

* Amounts restated reflect additional liabilities acquired which were recognised as a result of a fair value exercise undertaken in 2012.

In addition to the liabilities detailed above an additional $12,177,000 (2011: $10,866,000) consideration payable in one to two years is to be settled by way of the issue of shares. This issue is not contingent on any future event and is therefore considered an equity item (see note 21).

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

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

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

	Deferred consideration ($000)
At January 2012 as previously stated	**15,144**
Restatement	(50)
At January 2012 as restated	**15,094**
Additional deferred consideration in the year	5,021
Settlement of deferred consideration	(4,572)
Unwinding of discount	566
At December 2012	**16,108**

19. Operating leases

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

	2012 ($000)	2011 ($000)
Within one year	675	469
In the second to fifth years inclusive	1,239	1,325
After five years	–	50
Total	**1,914**	**1,844**

The above represents a number of office premises. During the year $0.4m (23-day period ended 31 December 2011: $0.1m) was recognised as an expense in the income statement.

20. 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
On incorporation on 16 August 2011 – Ordinary Shares of £1 each	60,000	93,246	60,000
Subdivided into Ordinary Shares of 2p each	–	–	2,940,000
Issued on 2 December 2011 at par	1,070	1,663	53,500
Issued on 2 December 2011 at 25.296p per share	20,545	31,929	1,027,255
Issued on 8 December 2011 at 20p per share	1,195,605	1,858,090	59,780,235
Balance at 31 December 2011	**1,277,220**	**1,984,928**	**63,860,990**
Issued on 11 November 2012 at 23p per share	220,573	350,710	11,028,634
Issued on 28 December 2012 at 20p per share	251,865	405,503	12,593,253
Balance at 31 December 2012	**1,749,658**	**2,741,141**	**87,482,877**

On 11 November 2012 the Group placed 11,028,634 new Ordinary Shares on to AIM with a nominal value of £220,573 ($350,710). These shares were issued at a price of 23p with share premium of $3,682,460.

On 28 December 2012 the Group settled a deferred consideration liability with the issue of 12,593,253 Ordinary Shares with a prescribed value of 20p per share. These shares held a nominal value of £251,885 ($405,503) with a premium of $3,649,524. The Group held the option to settle this liability in cash or Ordinary Shares in TLA Worldwide plc. As such, in accordance with IAS39, this liability was presented as a financial liability until the point of issue.

The Company has one class of Ordinary Shares which carry no right to fixed income.

21. Equity

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

Shares to be issued reflect deferred consideration payable in respect to acquisitions made in the period. This issue is not contingent on any future event and is therefore considered an equity item (see note 13).

	Share capital ($000)	Share premium ($000)	Shares to be issued ($000)	Foreign currency reserve ($000)	Retained earnings ($000)	Total ($000)
Balance at 16 August 2011	**–**	**–**	**–**	**–**	**–**	**–**
Total comprehensive income for period	–	–	–	174	(2,684)	(2,510)
Equity issued during the period	1,985	17,095	–	–	–	19,080
Equity costs charged during the period	–	(833)	–	–	–	(833)
Deferred consideration to be settled in equity	–	–	10,866	–	–	10,866
Balance at 31 December 2011	**1,985**	**16,262**	**10,866**	**174**	**(2,684)**	**26,603**
Total comprehensive income for period	–	–	–	(88)	(1,196)	(1,284)
Equity issued during the period	756	7,332	–	–	–	8,088
Equity costs charged during the period	–	(198)	–	–	–	(198)
Deferred consideration to be settled in equity	–	–	1,311	–	–	1,311
Balance at 31 December 2012	**2,741**	**23,396**	**12,177**	**86**	**(3,880)**	**34,520**

22. Group companies

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

- TLA Acquisitions Limited, registered in England and Wales, acts as an intermediate holding company;
- TLA Acquisitions number two Limited, registered in England and Wales, acts as an intermediate holding company;
- The Legacy Agency Inc., incorporated under the laws of Delaware, United States of America, undertakes the business of athlete representation and sports marketing;
- TLA Americas Inc., incorporated under the laws of Delaware, United States of America, undertakes the business of athlete representation and sports marketing; and
- The Legacy Agency (NY) Inc ("TLA NY"), incorporated under the laws of Delaware, United States of America, undertakes the business of athlete representation and sports marketing. The Company indirectly owns 70% of TLA NY. The balance is held by the vendors of PEG, who can exchange their holding into shares in the Company as set out in note 13.
  The shares carry no right to dividends and the Company has the right to call them in certain circumstances for it shares.

23. Notes of cash flow statement

	2012 ($000)	2011 ($000)
Operating profit/(loss) for the period	1,204	(3,102)
ADJUSTMENTS FOR		
Amortisation of intangible assets	4,404	293
Exceptional costs paid in shares	–	1,246
Amortisation of tangible assets	8	–
Operating cash flows before movements in working capital	**5,616**	**(1,563)**
Increase/(decrease) in receivables	268	(496)
(Decrease)/increase in payables	(2,177)	2,203
Cash generated by operations	**3,707**	**144**
Income taxes paid	(1,197)	(3)
Foreign exchange (losses)/gains	(89)	174
Net cash from operating activities	**2,421**	**315**
CASH AND CASH EQUIVALENTS		
Cash and bank balances	4,124	3,115

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.

24. Capital commitments

The Group had no commitments to purchase property, plant and equipment (2011: none).

25. Related parties

Greg Genske is deemed to be a related party as a beneficiary of the agreement relating to the acquisition of LS Legacy Sports LLC. As at 31 December 2012 he was owed $3,674 by the Company(31 December 2011: $9,386).

Jordan Bazant is deemed to be a related party as a beneficiary of the agreement relating to the acquisition of Goal Marketing, LLC, Goal Marketing II, LLC and The Agency Sports Management, LLC. As at 31 December 2012 a loan of $100,000 from the Company was outstanding (31 December 2011: $nil). The loan is repayable from Jordan Bazant's future earn-out consideration.

26. Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial information in conformity with IFRS requires the Group to make certain judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. These estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates under different assumptions or conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The Directors consider that the most significant area of accounting estimate relates to trade receivables, where clients have not settled in accordance

with standard terms and conditions, and the directors have evaluated each balance receivable and made provisions for doubtful debts where appropriate, in accordance with experience of the normal basis on which such balances are settled.

CRITICAL JUDGEMENTS IN APPLYING THE GROUP'S ACCOUNTING POLICIES

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

Impairment of goodwill

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

Other intangible assets

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

Fair value on acquisition

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

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

Deferred consideration

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

Recognition of revenue

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

Trade receivables

The Group's customers include athletes, talent and large corporations. 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 130 clients, which spreads the risk going forward. It is a focus of the Board to closely monitor receivables as part of its KPIs.

27. 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 2011.

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:

	2012 ($000)	2011 ($000)
FINANCIAL ASSETS		
Cash and bank balances (including cash and bank balances in a disposal group held for sale)	4,124	3,115
Trade receivables	2,586	2,687
Other debtors	632	857
Prepayments	120	62
Current tax asset	360	–
Total	**7,822**	**6,721**
FINANCIAL LIABILITIES		
Borrowings	7,706	9,533
Deferred consideration	16,108	15,144
Derivative financial instruments	129	77
Trade payables	933	2,381
Accruals and other amounts payable	798	1,004
Current tax payable	139	–
Total	**25,813**	**28,139**

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 overleaf.

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 to 2 December 2016. Given this interest rate swap, interest rate fluctuations are not currently seen as sensitive.

Credit risk

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 130 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.

	< 1 month (£)	1–3 months (£)	3 months to 1 year (£)	1–5 years (£)	Impact of discounting (£)	Total (£)
31 DECEMBER 2012						
Borrowings	–	500	1407	5,799	–	7,706
Deferred consideration	–	–	4,005	14,312	(2,209)	16,108
Trade payables	879	–	–	–	–	879
Accruals	782	–	–	–	–	782
Total	**1,661**	**500**	**5,412**	**20,111**	**(2,209)**	**25,475**
31 DECEMBER 2011						
Borrowings	–	500	1,407	7,626	–	9,533
Deferred consideration	–	–	303	16,581	(1,740)	15,144
Trade payables	2,381	–	–	–	–	2,381
Accruals	1,004	–	–	–	–	1,004
Total	**3,385**	**500**	**1,710**	**24,207**	**(1,740)**	**28,062**

Currency risk

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

28. Post-balance sheet events

On 22 January 2013 the Group initiated the new banking facility agreed to expand its banking facilities to $15 million with Sun Trust Bank.

The new facilities are for a term of five years to January 2018 and comprise an $8 million term loan together with a $7 million revolver. The revolver is undrawn and is available to fund any future acquisitions as well as general corporate purposes.

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

We have audited the parent company financial statements of TLA Worldwide plc for the year ended 31 December 2012, which comprise Parent Company Balance Sheet and the related notes 1 to 10. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the parent company financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the parent company financial statements in accordance with applicable law and International

Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the parent company financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2012;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Other matters

We have reported separately on the group financial statements of TLA Worldwide plc for the year ended 31 December 2012.

For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Gatwick

Ian Smith
Senior Statutory Auditor
21 April 2013

Company balance sheet

31 December 2012

	Note	31 December 2012 ($000)	31 December 2011 ($000)
FIXED ASSETS			
Investments	2	16,553	15,977
Loan to subsidiary undertakings		20,932	10,866
		37,485	**26,843**
CURRENT ASSETS			
Debtors: amounts falling due within one year	3	110	341
Cash at bank and in hand		223	1,561
		333	**1,902**
Creditors: amounts falling due within one year	4	(260)	(1,348)
Net current assets		73	554
Total assets less current liabilities		**37,558**	**27,397**
Net assets		**37,558**	**27,397**
CAPITAL AND RESERVES			
Called-up Share Capital	5	2,741	1,985
Share Premium account	6	23,396	16,262
Shares to be issued	6	12,177	10,866
Profit and loss account	6	(1,739)	(1,716)
Foreign currency reserve		983	
Shareholders' funds		**37,558**	**27,397**

The financial statements of TLA Worldwide PLC, registered company number 7741649, were approved by the Board of Directors and authorised for issue on 21 April 2013. They are signed on its behalf by **Michael Principe (Chief Executive), 21 April 2013.**

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 21 April 2012. The Company reported a loss for the year ended 31 December 2012 of $23,000.

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 a financial liability. 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 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

	($000)
COST AND CARRYING VALUE	
On incorporation	–
Additions	15,977
At 31 December 2011	**15,977**
Additions	576
At 31 December 2012	**16,553**

At 31 December 2012 the Company held, either directly or indirectly, 20% or more of the allotted share capital of the following companies:

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

The Company indirectly owns 70% of TLA NY. The balance is held by the vendors of PEG, who can exchange their holding into shares in the Company as set out in note 13 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

	2012 ($000)	2011 ($000)
AMOUNTS FALLING DUE WITHIN ONE YEAR		
Other debtors	80	280
Prepayments	30	61
Total	**110**	**341**

4. Creditors Amounts falling due within one year

	2012 ($000)	2011 ($000)
Trade creditors	109	1,291
Accruals and deferred income	151	57
Total	**260**	**1,348**

5. Called-up share capital

	Nominal value (£)	Nominal value ($)	Number
On incorporation on 16 August 2011: Ordinary Shares of £1 each	60,000	93,246	60,000
Subdivided into Ordinary Shares of 2p each	–	–	2,940,000
Issued on 2 December 2011 at par	1,070	1,663	53,500
Issued on 2 December 2011 at 25.296p per share	20,545	31,929	1,027,255
Issued on 8 December 2011 at 20p per share	1,195,605	1,858,090	59,780,235
Balance at 31 December 2011	**1,277,220**	**1,984,928**	**63,860,990**
Issued on 11 November 2012 at 23p per share	220,573	350,710	11,028,634
Issued on 28 December 2012 at 20p per share	251,865	405,503	12,593,253
Balance at 31 December 2012	**1,749,658**	**2,741,141**	**87,482,877**

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 16 August 2011	**–**	**–**	**–**	**–**	**–**	**–**
Total comprehensive income for period	–	–	–	–	(1,716)	(1,716)
Equity issued during the period	1,985	17,095	–	–	–	19,080
Equity costs charged during the period	–	(833)	–	–	–	(833)
Deferred consideration to be settled in equity	–	–	10,866	–	–	10,966
Balance at 31 December 2011 as previously stated	**1,985**	**16,262**	**10,866**	**–**	**(1,716)**	**27,397**
Total comprehensive income for period	–	–	–	983	(23)	960
Equity issued during the period	756	7,332	–	–	–	8,088
Equity costs charged during the period	–	(198)	–	–	–	(198)
Deferred consideration to be settled in equity	–	–	1,311	–	–	1,311
Balance at 31 December 2012	**2,741**	**23,396**	**12,177**	**983**	**(1,739)**	**37,558**

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 per cent members of the TLA Worldwide plc group of companies.

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

8. Financial risk management objectives and policies

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

9. Auditor's remuneration

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

10. Directors and employees

The average monthly number of employees was:

	2012 (number)	2011 (number)
Management	1	1

Their aggregate remuneration comprised:

	2012 ($000)	2011 ($000)
Wages and salaries	166	11
Social security costs	21	1
Total	**187**	**12**

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

End notes

1. Adjusted EBITDA is defined as operating profit adjusted to add back depreciation, amortisation of acquired intangible assets and any other acquisition related charges, share based payment charges and exceptional items. A further description is provided in the Finance Review.
2. Unaudited pro forma financial information for the year ended 31 December 2011 is based on unaudited management accounts of both Legacy and Agency for the period to 1 January 2011 and to 7 December 2011, aggregated with trading results of the Group for the period 8 December 2011 to 31 December 2011. The aggregated financial information is then adjusted for members earnings, certain exceptional costs and an estimate of central costs as further described in the Finance Review.
3. All data sourced from PWC's report Outlook for global sports market, published in December 2011.
4. Adjusted EBITDA is defined as operating profit adjusted to add back depreciation of property, plant and equipment, amortisation of acquired intangible assets and any other acquisition related charges, share-based payment charges and exceptional items. Exceptional items are those items believed to be exceptional in nature by virtue of their size and or incidence, and in the current period comprise costs associated with the acquisition and integration of new businesses and associated equity fundraising. There have been no share-based payment charges in the period, though the directors believe that such items may arise in the future.
5. Adjusted EBITDA margin is defined as Adjusted EBITDA as a percentage of revenue.
6. Adjusted profit per share is defined as adjusted profit for the period divided by the weighted average number of Ordinary Shares in issue during the period. Adjusted profit for the period is defined as loss for the period adjusted to add back amortisation of acquired intangible assets and any other acquisition related charges, share-based payment charges, fair value movement on financial derivatives and exceptional items. A further description is provided in note 2 to the accounts.

Shareholder information

Annual General Meeting 20 June 2012
Website: www.tlaww-plc.com

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Gatwick

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