TLA WORLDWIDE PLC

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Annual Report and Accounts for the period ended 31 December 2011

Contents

These accounts cover the trading period from 8 December 2011 to 31 December 2011[1].

Financial highlights

- **Cash balance at 31 December of $3.1 million**
- **Contracted revenue of approximately $30m of which 39% relates to 2012**
- **Adjusted EBITDA loss[2] of $0.5 million (£0.3 million)[5]**
- **Basic and diluted loss per share of 2.72 cents (1.75 pence)[5]**
- **Adjusted basic profit per share[3] of 0.03 cents (0.02 pence)[5]**
- **Unaudited pro forma EBITDA[4] of $6.1 million (£3.9 million)[5]; Operating profit margin of 44%, on a pro-forma basis**
- **Statutory operating loss of $3.1 million (£2.0 million) and loss before tax of $3.2 million (£2.1 million)[5]**

Operational highlights period to date

- **Successful integration of Legacy and Agency businesses with the launch of the TLA brand**
- **21 new client wins**
- **Negotiated over $100 million of guaranteed contracts for our clients**
- **Expansion of baseball focus into Latin America**
- **Realignment and streamlining of sales functions within TLA**
- **Full integration of Finance and IT systems**
- **Contracted revenues are 79% of market expectations of total revenue for 2012**

1 The financial statements are for the period from incorporation on 16 August 2011 to 31 December 2011. On 8 December 2011 the company was admitted to AIM and acquired Legacy and Agency. As such, the financial statements reflect a trading period of 23 days from 8 December 2011 to 31 December 2011.

2 Adjusted EBITDA is defined as operating loss 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 Business Review.

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

4 Unaudited pro forma financial information 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 Business Review.

5 The pro forma balances in pounds Sterling are included solely for convenience. The pro forma balances in pounds Sterling are stated, as a matter of arithmetical computation only, on the basis of all balances being translated from US Dollars into pounds Sterling at the rate prevailing on 31 December 2011 of USD1.5541: £1.00. This translation should not be construed as meaning that the US Dollar amounts actually represent, have been, or could be converted into the stated number of pounds Sterling.

Chairman's Statement

On 8 December 2011, TLA Worldwide plc ("TLA" or "the Group") completed the acquisition of the trade and certain assets of two agencies, being LS Legacy Sports Group LLC ("Legacy"), a pre-eminent baseball athlete management business and the Agency Group ("Agency"), a leading independent sports marketing agency, and successfully listed the combined entity on the Alternative Investment Market (AIM). As required by AIM regulations the Company has prepared audited annual accounts, which in this case only covers the 23 day trading period from the date of acquisition and listing to 31 December 2011.

Review of Results

For the period ended 31 December 2011, the Group reported an Adjusted EBITDA[6] loss of $0.5 million. Statutory operating loss was $3.1 million. These results reflect 23 days of trading at the lowest point of activity in the year. In addition, the results reflect the exceptional costs in relation to the acquisitions and the listing on AIM. Cash at the end of the period was $3.1 million.

In order to provide further information for shareholders of the financial performance of the acquired businesses unaudited pro forma financial information[7] for the year ended 31 December 2011 has been prepared and is set out in the Business Review. Unaudited pro forma revenue was $13.8 million and unaudited pro forma adjusted EBITDA was $6.1 million for the year ended 31 December 2011.

Review of Operations

The operational integration of the two acquired businesses is materially complete with the newly consolidated "TLA" brand launched in February 2012. There have been 21 new client wins, the finance function has been consolidated and as at 31 March 2012 contracted revenues are 79% of market expectations of total revenue for the year ending 31 December 2012.

Board Changes

On 14 March 2012 Peter Moore resigned as a non-executive director due to his commitments in his new role as COO of Electronic Arts. We thank Peter for his assistance in guiding the Company through its Initial Public Offering and early initial period as a public company. Peter will remain a strategic advisor to the Group. Andrew Wilson has replaced Peter as a non-executive director. Andrew brings with him a wealth of experience in both public markets and sports businesses. The make-up of the board is discussed in more detail on pages 8 and 9.

6 Adjusted EBITDA is defined as operating loss 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 Business Review.

7 Unaudited pro forma financial information 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 Business Review.

Outlook

The start of 2012 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 $2.3 million as at 31 March 2012, after the repayment of the first tranche of our term debt and interest.

This is an extremely exciting time to be involved in the business of baseball. There is on-going labour peace for another five years following the new collective bargaining agreement signed in November 2011. Major League Baseball is a $7 billion per annum industry of which $2.9 billion relates to player salaries on long-term, guaranteed contracts. The baseball representation and marketing industry remains fragmented which provides opportunity for growth, both through organic hires and accretive acquisitions.

TLA's strategy is to take advantage of these strong industry fundamentals and drive the consolidation that is happening within the sports industry, in baseball. As a board we remain committed to exploring these opportunities for growth and executing on our stated business plan to be the market leading full service baseball agency in the USA, as well as grow the business in our key sports and activities.

Bart Campbell
Chairman
21 May 2012

Business Review

This review covers the 23 day trading period following the Company's Initial Public Offering on 8 December 2011 and the acquisitions of Agency and Legacy. For this period the Group reported a statutory loss before tax of $3.2 million. The performance at the operating level, before interest, tax, depreciation, amortisation and exceptional charges showed an Adjusted EBITDA loss of $0.5 million.

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

	Baseball Representation $000's	Sports Marketing $000's	Unallocated $000's	Total $000's
Revenues	19	156	–	175
Cost of sales	–	(4)	–	(4)
Gross profit	19	152	–	171
Operating expenses excluding amortization and exceptional items	(289)	(155)	(242)	(686)
Adjusted EBITDA[1] loss	**(270)**	**(3)**	**(242)**	**(515)**
Amortisation of intangibles arising on acquisition	(192)	(101)	–	(293)
Exceptional items (IPO costs)	–	–	(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)

(1) 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 IPO, associated equity fundraising, and acquisitions of Legacy and Agency on 8 December 2011. There have been no share based payment charges in the period although the Directors believe that such items may arise in the future.

Given the above only represented 23 days of trading it does not provide a comprehensive view of the underlying performance of the Group, particularly as the period falls outside the US baseball season.

Business Review (continued)

Unaudited pro forma financial information for the year ended 31 December 2011

Set out below is unaudited pro forma financial information for the year ended 31 December 2011. The Directors have provided the unaudited pro forma financial information to give an indication of performance as though the group had been formed on 1 January 2011. The pro forma financial information does not represent statutory results for the period, is unaudited, and prepared on the basis described below.

Unaudited pro forma income statement for year ended 31 December 2011

	Baseball Representation $000's	Sports Marketing $000's	Combined $000's
Revenues	**8,785**	**5,008**	**13,793**
Administrative expenses	(7,074)	(1,465)	(8,539)
Operating profit	1,711	3,543	5,254
Add back depreciation	5	3	8
Add back members' remuneration[1]	2,566	–	2,566
Add back exceptional costs[2]	415	–	415
Less members' pro forma remuneration[1]	–	(835)	(835)
Adjusted EBITDA before assumed plc and central costs	**4,697**	**2,711**	**7,408**
Assumed plc and central costs[3]			(1,300)
Adjusted EBITDA			**6,108**

The pro forma financial information 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 as follows in calculating pro forma adjusted EBITDA and operating profit:

(1) Historically, the members of Legacy were substantially remunerated through salaries and bonuses which were charged to the income statement, whereas the members of The Agency were substantially remunerated through discretionary drawings, which were not charged to the income statement but instead recognised as distributions. In addition to the above, pro-forma measures further adjusts aggregated operating profit to add back salaries, bonuses and any other remuneration of the existing members of Legacy and The Agency charged to the income statement, and then deducts remuneration equivalent to that the same members are entitled to subsequent to the acquisitions.

(2) Pro forma financial information adds back certain consultant and one-off acquisition costs of the vendors of Legacy and The Agency contained in the unaudited management accounts of Legacy and Agency that do not relate to the underlying trading of those businesses.

(3) An estimate of central costs that would have been incurred had the group been formed through the period of the pro forma financial information has been deducted.

Baseball representation

As the baseball season had ended, the 23 days post acquisition was a quiet period for the division. However, the division was successful in negotiating an extension to the contract of one of our significant client's to 2016. The division now has 13 Major League Baseball All Star players as clients.

Trading for the 23 days reflected the low activity levels with $19,000 of revenue, an Adjusted EBITDA loss of $270,000 and a statutory operating loss of $462,000.

On an unaudited pro forma basis the division has revenue of $8.8 million and Adjusted EBITDA of $4.7 million for the year ended 31 December 2011.

Business Review (continued)

Sports Marketing

The 23 day period for sports marketing was active but mainly focussed on client activity for the 2012 financial year.

The division has a strong client roster of PGA Tour golfers, including Jim Furyk; broadcast clients, including Fox Sports NFL Commentator Troy Aikman; Olympians such as hurdler Lolo Jones and decathlete Trey Hardee; NCAA college basketball and football coaches; and the management of the off field activities of sports legends and NFL players such as Reggie Bush, Steve Young and Colt McCoy.

Trading for the 23 days showed revenue of $156,000, an Adjusted EBITDA loss of $3,000 and a statutory operating loss of $104,000.

On an unaudited pro forma basis the division had revenues of $5.0 million and Adjusted EBITDA of $2.7 million for the year ended 2011.

Liquidity

The Group had $3.1 million of cash at 31 December 2011. The Company has a $10.0 million five-year term loan facility in place which was fully drawn down at the year end.

The Group estimates that the contingent deferred consideration payments on acquisitions are $10.7 million, over the next five years. For more detail in respect to the timing of payments see note 18 to the accounts.

Key Performance Indicators ("KPIs")

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

- Adjusted EBITDA
- Operating margin
- Profit before tax
- Contracted revenue
- Number of new client wins
- Debtor collection days

As set out in the Chairman's statement, the Group will seek to make strategic acquisitions as well as to develop organically by expanding the current service offering and geographic presence.

TLA intends to become the pre-eminent, fully integrated representation and marketing services agency with on-field focus and professional baseball. As a combined group, TLA will unite industry-leading capabilities in baseball, broadcasting, coaching, golf and talent management as well as event management. TLA's combined network creates a stronger platform to recruit new clients and identify new opportunities across the portfolio. We plan to continue our growth organically and through accretive acquisitions or other combinations as well as development of selective properties for which we have identified a need in the marketplace.

Dividend Policy

The Directors intend to pay dividends at such a time that it is commercially prudent to do so. It is the Board's intention to seek to pay a dividend with respect to the 2012 results.

Michael Principe
Chief Executive
21 May 2012

Board of Directors

Bart Campbell – Non-Executive Chairman (41)

Bart is the Chief Executive of the sports marketing and management business, Essentially Group plc ("Essentially") which is part of Chime Communications plc ("Chime"). He is a member of the executive board of Chime and is COO of the Chime Sports Marketing division. Prior to his role at Essentially, he founded Global Sports Management Ltd in 1999, which became a leader in its field and merged with Essentially Group plc in May 2006. Bart is a former practicing sports and commercial lawyer, with a BA and LLB from Otago University in his native New Zealand. Mr. Campbell passed the bar before completing a Masters in Commercial Law (Hons) from Auckland University. He successfully completed the Advanced Management Program at Harvard Business School.

Michael Principe – Chief Executive (41**)**

As the Chief Executive of TLA, Mike brings nearly 15 years of experience in sports and entertainment industry to his position. Most recently, Mike served as the managing director of Blue Entertainment Sports Television ("BEST"), an industry leader in sports marketing, management and production, which was recently acquired by Lagardère Unlimited, where he also served as the Chief Operating Officer for its parent company, Blue Equity LLC. Prior to joining BEST, he held various executive positions with SFX Sports Group Inc. ("SFX"), including serving as a member of its Executive Committee and that of Executive Vice President and as General Counsel. As one of the most accomplished executives and dealmakers in sports, Mike has participated in over 30 transactions with an aggregate value in excess of $500,000,000. He is a member of the New York Bar and the Sports Lawyers Association. He has been named to the Sports Business Journal's prestigious "Forty Under 40" list.

Greg Genske – Executive Director (40)

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

Keith Sadler – Non-Executive Director (53)

Keith has been Group Finance Director of Weare2020 plc since 2009. He was formerly Chief Executive and Group Finance Director of SPG Media Group plc, a marketing services company. Prior to this he was Group Finance Director and Company Secretary of The Wireless Group plc 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.

Peter Moore – Non-Executive Director (57) – Resigned 14 March 2012

Peter has been COO of Electronic Arts Inc. ("EA") since August 2011. He has more than 25 years of experience in gaming, entertainment and consumer products. As President of EA SPORTS from 2007 to 2011. Prior to joining EA, Peter was Corporate Vice President of the Interactive Entertainment Business of Microsoft Corp. Before joining Microsoft, he was president and COO of SEGA of America. Prior to his role at SEGA, Peter was senior vice president of marketing at Reebok International Ltd. He holds a bachelor's degree from Keele University, United Kingdom, and a Master's Degree from California State University, Long Beach.

Andrew Wilson – Non-Executive Director (53) – Appointed 14 March 2012

Andrew joined the Board on 14 March 2011 as a Non-Executive Director. Andrew is 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.

Principal risks and uncertainties

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 below:

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 gives the business protection as the multi-year contracts already in place.

Suitable acquisitions and access to capital

The Group's expansion strategy included 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 period from incorporation on 16 August 2011 to 31 December 2011. TLA Worldwide plc was admitted to AIM on 8 December 2011 at which point it purchased the trade and certain assets of LS Legacy Sports Group LLC, and The Agency Group. The trading period therefore only relates to the 23 days from 8 December 2011 to 31 December 2011.

Principal activity

The principal activity of the Group is to be 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 pages 3 to 4
- The Business review on pages 5 to 7
- Directors' Remuneration report on pages 14 to 17

Results and dividends

The Group operating loss before taxation for the period to 31 December 2011 was $3.2 million. The Directors do not propose to pay a dividend.

Future developments

The future development of the Group is set out in the Chairman's statement on pages 3 and 4 and the Business Review on pages 5 and 7.

Political and charitable donations

No political or charitable donations were made during the period.

Directors' interests

The present membership of the Board, together with biographies on each, is set out on pages 8 and 9. All of these Directors served throughout the period, except for Andrew Wilson who joined the board on 14 March 2012. On the same date Peter Moore resigned from office. Directors' interests in shares in the Company are set in the Directors' remuneration report on pages 14 to 17.

Directors' third party indemnity provisions

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

Employees

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

It is the policy of the Group that individuals with disabilities, whether registered or not should receive full and fair consideration for all job vacancies for which they are suitable applicants. Employees who become disabled during their working life will be retained in employment whenever possible and will be given help with any rehabilitation and retraining.

Health and safety

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

Supplier payment policy

It is the Group's policy and practice to settle its suppliers accounts on due dates according to agreed terms of credit. The creditor days across the Group for the period were 23 days. The company has $3.1 million of trade and other payables as at 31 December 2011.

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 to the consolidated financial statements.

Substantial shareholdings

At the date of this report the Company has been notified, in accordance with the Disclosure and Transparency Rules, of the following voting rights as a shareholder of the company which had disclosable interests of 3% or more of the nominal value of TLA Worldwide plc's ordinary shares of 1p each.

Directors' Report (continued)

Substantial shareholdings (Continued)

	Number of shares	Equity %
ISIS Equity Partners	15,500,000	24.27
Strand Associates Limited	11,375,000	17.81
Octopus Investments	9,602,830	15.04
Amati Global Investments	6,058,000	9.49
F&C Investments	4,700,000	7.36
Cenkos Securities plc	3,099,042	4.85
Hargreave Hale	2,250,000	3.52
Michael Principe	2,040,377	3.20
Rathbone Investment Management	2,017,125	3.16
L&G Investments Management	2,000,000	3.13

During the period between 31 December 2011 and 21 May 2012 the company did not receive any notifications under chapter 5 of the Disclosure and Transparency Rules.

Corporate and social responsibility

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

Annual General Meeting

Your attention is drawn to the Notice of Meeting enclosed with this Annual Report, which set outs out the resolutions to be proposed at the forth coming 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, was appointed during the period and has indicated its willingness to remain in office. A resolution that they will be re-appointed will be proposed at the Annual General Meeting.

By order of the Board,

Dwight Mighty
Company Secretary
21 May 2012

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 16, 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

- Keith Sadler (Chairman)
- Peter Moore (replaced by Andrew Wilson on 14 March 2012, who will become Chairman)
- Bart Campbell

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

The committee did not meet 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 anticipate 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 external market benchmarking.

During the period to 31 December 2011 there were two Executive Directors:

- Michael Principe (CEO)
- Greg Genske (Executive Director)

Apart from statutory pension requirements in the US, Mr Principe does not currently participate in a pension scheme or any healthcare arrangements. Mr Principe is, however, entitled to do under his service agreement in the future.

Directors' Remuneration report (continued)

Remuneration policy (continued)

In addition to the statutory pension requirements, Mr Genske participates in healthcare arranged and provided by the Group.

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 Director 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 basis 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:

- Basis 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 annual salary. For each of the Executive Directors' the percentage are as follows:

- Michael Principe: up to 100%
- Greg Genkse: No bonus

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

Share incentive

The committee believes that the award of shares aligns the interest of participants and the shareholders. An LTIP for messrs. Campbell, Mighty and Principe was agreed in outline in the Admission Document, which will be put into place during 2012.

Directors' Remuneration report (continued)

Director remuneration

The total amount of the Directors' of the Company for the period ended 31 December 2011 is shown below.

	2011 $000's
Aggregate emoluments	53

The emoluments of the directors are shown below:

Name of director	2011 Fees and salary	2011 Benefit in kind	2011 Total
Executive Directors			
Michael Principe	20	–	20
Greg Genske	19	2	21
	39	**2**	**41**
Non-Executive Directors:			
Bart Campbell	4	–	4
Keith Sadler	4	–	4
Peter Moore*	4	–	4
Aggregate emoluments	**51**	**2**	**53**

* Resigned 14th March 2012

Directors' service agreement and letters of appointment

Contract for services are negotiated on a 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.

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

* Peter Moore resigned on 14 March 2012 and Andrew Wilson was appointed on 14 March 2012

Directors' Remuneration report (continued)

Directors' interest in shares

The interests of the Directors in the shares of the Company at 8 December 2011 and 31 December 2011 were as follows:

	Number of shares	Equity %
Bart Campbell*	1,020,189	1.60
Michael Principe	2,040,377	3.20
Greg Genske**	12,001,424	–

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

**Mr Genske has an interest in these 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, in its US operation, operates a 401K pension scheme; Greg Genske received a contribution to his 401K plan amounting to $2,000 in the period.

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

Keith Sadler
Chairman, Remuneration Committee
21 May 2012

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 Company is committed to high standards of corporate governance. Whilst 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, an Executive Director and two Non-Executive Directors. Short biographical details of each Director are set out on pages 8 and 9. 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, Bart Campbell and Michael Principe will retire at the upcoming AGM and, being eligible for re election, offer themselves for re-election. Andrew Wilson, is offering himself for election as a Director.

Board Committees

Remuneration Committee

The composition of the Remuneration Committee is disclosed on page 14 and comprises solely Non-Executive Directors. The Remuneration Committee, on behalf of the Board, as an when necessary to review and approve as appropriate the contract terms, remuneration and other benefits of the Executive Directors and senior management and major remuneration plans for the Group as a whole.

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

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

All the decisions of the Remuneration Committee on remuneration matters in the period ending 31 December 2011 were reported to and endorsed by the Board. Further details of the Group's policies on remuneration and service contracts and are given in the Directors' remuneration report on pages 14 and 17.

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 overseas 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.

Corporate governance Report (continued)

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

There were no board meetings or committee meetings during the 23 day period ending 31 December 2011

Relationship with shareholders

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

Internal control

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

Management structure

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

Financial reporting

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

Monitoring of controls

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

Corporate governance Report (continued)

Going concern

The Directors have reviewed the forecasts for the year ending 31 December 2012 and 31 December 2013. 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. For this reason they continue to adopt the giving concern basis in preparing the financial statements.

Corporate social responsibility

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

Employment

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

By order of the Board

Dwight Mighty
Company Secretary
21 May 2012

Directors' responsibilities for the financial statements

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the directors have to prepare financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs) and have elected to prepare Company financial statements in accordance with IFRSs. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and the profit or loss of the Company and the Group. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable IFRSs 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.

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

- there is no relevant audit information of which the Group's auditor is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Auditor is aware of that information.

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.

By order of the Board

Dwight Mighty
Company Secretary
21 May 2012

Independent Auditor's Report to the Members of TLA Worldwide plc

We have audited the group financial statements of TLA Worldwide PLC for the period from 16 August 2011 to 31 December 2011, which comprise the Group Income statement, Group Statement of Comprehensive Income, the Group Balance Sheet, the Group Statement of Changes in Equity, the Group Cash Flow Statement, the principal accounting polices, and the related notes. 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 2011 and of its loss for the period 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.

Separate opinion in relation to IFRSs as issued by the IASB

As explained in the general notes to the group financial statements, the group in addition to complying with its legal obligation to apply IFRSs as adopted by the European Union, has also applied IFRSs as issued by the International Accounting Standards Board (IASB).

In our opinion the group financial statements comply with IFRSs as issued by the IASB.

Independent Auditor's Report to the Members of TLA Worldwide plc (continued)

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

Ian Smith (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Gatwick,
21 May 2012

TLA Worldwide plc

Group Income Statement
For the period 16 August 2011 to 31 December 2011

	Note	Period to 31 December 2011 $000's
Revenue	1	175
Cost of sales		(4)
Gross profit		171
Administrative expenses		(3,273)
Operating loss from operations		(3,102)
Operating loss before exceptional costs		(808)
Exceptional Items	4	(2,294)
Operating loss from operations		(3,102)
Finance costs	2	(119)
Loss before taxation	4	(3,221)
Taxation	8	537
Loss for the period from continuing operations attributable to the equity holders in the company		(2,684)

Loss per share from continuing operations:

Basic – 2.72 (cents)
Diluted – 2.72 (cents)

TLA Worldwide plc

Group Statement of Comprehensive Income
For the period 16 August 2011 to 31 December 2011

	Period to 31 December 2011 $000's
Loss before taxation	(2,684)
Exchange differences on translation of overseas operations	174
Loss for the period attributable to the equity holders in the company	(2,510)

TLA Worldwide plc

Group Balance Sheet
31 December 2011

	Note	31 December 2011 $000's
Non-current assets		
Intangible assets – goodwill	10	24,055
Other intangible assets	11	22,661
Property, plant and equipment	12	4
Deferred tax asset	9	602
		47,322
Current assets		
Trade and other receivables	14	4,078
Cash and cash equivalents		3,115
		7,193
Total assets		54,515
Current liabilities		
Trade and other payables	15	(3,149)
Borrowings	16	(1,907)
		(5,056)
Net current assets		2,137
Non-current liabilities		
Borrowings	16	(7,626)
Deferred consideration	18	(15,144)
Financial liability	17	(78)
Other payables		(8)
		(22,856)
Total liabilities		(27,912)
Net assets		26,603
Equity		
Share capital	20	1,985
Share premium	21	16,262
Shares to be issued	21	10,866
Foreign currency reserve	21	174
Retained loss	21	(2,684)
Total equity		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 May 2012. They are signed on its behalf by:

Michael Principe (Chief Executive)
21 May 2012

TLA Worldwide plc

Group Statement of Changes in Equity
Period to 31 December 2011

	Share Capital $000s	Share Premium $000s	Shares to be issued $000s	Foreign Currency Reserve $000s	Retained Earnings $000s	Total $000s
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**

TLA Worldwide plc

Group Statement of Cash Flows
For the period 16 August 2011 to 31 December 2011

	Note	Period ended 31 December 2011 $000's
Net cash from operating activities	23	315
Investing activities		
Purchases of property, plant and equipment		(4)
Acquisition of subsidiary undertakings		(24,522)
Net cash used in investing activities		(24,526)
Financing activities		
Interest paid		(32)
New bank loans raised	16	10,000
Fees paid on issue of new bank loans		(476)
Issue of shares for cash consideration		17,834
Net cash from financing activities		27,326
Net increase in cash and cash equivalents		3,115
Cash and cash equivalents at beginning of period		–
Cash and cash equivalents at end of period		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 business review on pages 5 to 7.

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

Adoption of new and revised Standards

IFRS 7	Disclosures –Transfer of Financial Assets – Amendments
IFRS 9	Financial Instruments
IFRS 10	Consolidated Financial Statements
IFRS 12	Disclosure of Interests in Other Entities
IFRS 13	Fair Value Measurement
IAS 1	(amended) Presentation of Items of Other Comprehensive Income
IAS 12	(amended) Deferred Tax
IAS 19	(revised) Employee Benefits
IAS 27	(revised) Separate Financial Statements
IAS 28	(revised) Investments in Associates and Joint Ventures

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 financials 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 year ending 31 December 2012 and 31 December 2013. 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. For this reason they continue to adopt the going concern basis in preparing the financial statements.

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards The financial statements have been prepared on the historical cost basis except for the revaluation of financial instruments. 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.

PRINCIPAL ACCOUNTING POLICIES (continued)

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. Following the adoption of IAS 27 during the year, transactions to acquire non-controlling shareholders' interests in a subsidiary are recorded in equity.

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 inter-Group transactions, balances, income and expenses are eliminated on consolidation.

Revenue

Revenue is recognised in accordance with IAS 18 and 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.

PRINCIPAL ACCOUNTING POLICIES (continued)

Revenue (continued)

Leasehold improvements, furniture and equipment

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

- Plant, Property and equipment – 3 to 5 years

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

Intangible assets and goodwill

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

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

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

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

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

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

- player representation contracts – over life of the contract
- Customer relationships – 8 years

Impairment

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

PRINCIPAL ACCOUNTING POLICIES (continued)

Intangible assets and goodwill (continued)

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

Taxation

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

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

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

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.

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.

PRINCIPAL ACCOUNTING POLICIES (continued)

Foreign Currencies (continued)

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.

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.

PRINCIPAL ACCOUNTING POLICIES (continued)

Financial instruments

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

- They include no contractual obligations upon the Company (or Group) to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavorable the Company (or Group); and
- Where the instrument will or may be settled in the Company's own equity instruments, it 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 assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the items are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amount presented in these financial statements for called up share capital and share premium account exclude amounts in relations to those shares.

Financial payments associated 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 to equity.

Trade Receivables

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

Investments

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

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

Trade Payables

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Segmental Analysis

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

Baseball Representation – primarily looks after the on field activities of baseball players, including all aspects of a players contract negotiation lists.

Sports Marketing – primarily looks after the off-field actives of athletes; in addition it represents broadcasters and coaches in respect of their contract negotiations.

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 23 days ended 31 December 2011, one client generated in excess of 10 percent of total revenue. The Group considers that disclosure of revenues earned from each of the clients from whom in excess of 10 per cent. of total revenue is generated, together with the public nature of the Group's key clients, could enable identification of the clients, together with the earnings of those clients and the revenues generated from them, and that such information would be seriously prejudicial to the business of Group and could be in contravention of the Group's contractual arrangements with their clients. As such, this disclosure has not been provided, in contravention of paragraph 34 of IFRS 8.

	Baseball Representation $000's	Sports Marketing $000's	Unallocated $000's	Total $000's
Revenues	19	156	–	175
Cost of sales	–	(4)	–	(4)
Gross profit	19	152	–	171
Operating expenses excluding depreciation, amortization and exceptional items	(289)	(155)	(242)	(686)
Operating profit before depreciation, amortization and exceptional items.	**(270)**	**(3)**	**(242)**	**(515)**
Amortisation of intangibles arising on acquisition	(192)	(101)	–	(293)
Exceptional items (IPO costs)	–	–	(2,294)	(2,294)
Operating loss	**(462)**	**(104)**	**(2,536)**	**(3,102)**
Finance costs				(119)
Loss before taxation				(3,221)
Taxation				537
Loss for the period				(2,684)
Assets	37,342	13,976	3,197	54,515
Liabilities	(959)	(278)	(26,675)	(27,912)
Capital Employed	**36,383**	**13,698**	**(23,478)**	**26,603**

2. Finance costs

	2011 $000's
Interest on bank overdrafts and other loans	(32)
Fair value loses on interest rate swaps	(78)
Amortisation of borrowing costs over the term of the loan	(9)
Total interest expense	(119)

3. Earnings per share

	2011 cents per share
Basic and diluted loss per share	2.72

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

Loss	2011 $000's
Loss for the purposes of basic earnings per share being net loss attributable to owners of the company	2,684
Number of Shares	
Weighted Average number of shares in issue:	63,860,990
Deferred consideration shares to be issued	34,802,015
Weighted average number of shares for the purposes of basic loss per share	98,663,005

Since the group reported a net loss, diluted loss per share is equal to loss per share. Hence the calculation of diluted loss per share does not include deferred consideration payable in shares or cash. Details of deferred consideration are given in note 18.

Adjusted earnings per share (see below)

	2011 cents per share
Basic adjusted earnings per share	0.03
Diluted adjusted earnings per share	0.03

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

	2011 $000's
Loss attributable to shareholders	(2,644)
Adjusted for	
Exceptional costs	2,294
Amortisation of acquired intangible assets	293
Fair value loss on interest rate swap	78
Adjusted profit attributable to owners of the company	21

4. Loss before taxation

The following are included in loss before tax:

	2011 $000's
Depreciation of property, plant and equipment	–
Amortisation of other intangible assets	293
Exceptional cost (see below)	2,294
Staff costs (see note 7)	333
Auditors remuneration (see note 5)	660

The exceptional costs relate to the following:

- The issue of ordinary shares during the period (where such costs were satisfied in ordinary shares).
- The acquisition of the business of Legacy and Agency during the period

Included within exceptional items is $1.24 million paid to the service providers where payment was satisfied using ordinary shares in TLA Worldwide PLC. Management consider the value of shares issued to be the fair value of services received with each transaction occurring at arm's length with the third party providers. These shares have been treated as a share based payment in accordance with IFRS2. There are no special rights attaching to these shares.

5. Auditor's remuneration

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

	2011 $000's
Fees payable to the company's auditor and their associates for the audit of the company's annual accounts	101
Total audit fees	101
– Other taxation advisory services	132
– Corporate finance services	427
Total non-audit fees	559
Total Fees	660

6. Transaction with key management personnel

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

	2011 $000's
Short term benefits:	
Salaries including bonuses	41
Social Security costs	5
Healthcare and other costs	14
Total Remuneration	60

Further information in respect of Directors is given in the Directors' Remuneration table on page 16.

7. Staff Costs

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

	2011 Number
Administration/Support	11
Agents	16
Executive Directors	3
	30

Their aggregate remuneration comprised:

	2011 $000's
Wages and salaries	294
Social security costs	19
Other costs	20
	333

8. Tax

	2011 $000's
UK Taxes	
Current year	–
Overseas Taxes	
US State taxes	(65)
Deferred tax (note 9)	602
	537

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

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

	2011 $000's
Loss before tax on continuing operations	(3,221)
Tax credit at the US corporation tax rate of 40%	1,289
Unrecognised deferred tax assets	(687)
Effect of different tax rates of entities operating in other jurisdictions	(65)
Tax credit for the year	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's	Goodwill $000's	Tax losses $000's	Total $000's
At 16 August 2011	–	–	–	–
Arising on acquisition	(9,181)	9,181	–	–
Credit to loss	115	–	487	602
At 31 December 2011	(9,066)	9,181	487	602

At the balance sheet date, the group has unused tax losses of $3.2 million available for offset against future profits. A deferred tax asset has been recognised in respect of $1.5 million of such losses. No deferred tax asset has been recognised in respect of the remaining $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.

10. Goodwill

Cost and net book value	2011 $000's
At 16 August 2011	–
Acquisition of subsidiaries	24,055
At 31 December 2011	**24,055**
Accumulated impairment loss	
At 16 August 2011 and 31 December 2011	–
Carrying amount	**24,055**

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:

	Total $
Baseball representation	18,081
Sports marketing	5,974
	24,055

In accordance with the Group's accounting policy, the carrying values of goodwill and other intangible assets are reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the asset might be impaired.

An initial review has been undertaken as at 31 December 2011 to consider whether there have been any material changes in expectations of the performance of the businesses acquired since their acquisition on 8 December 2011. The key assumptions used within the value in use calculations were reviewed by the Directors who have also discussed these assumptions with the key members of the Executive team. The unit cash flows were discounted using a Pre-Tax Weighted Average Cost of Capital ("WACC") of 11.54%. This discount factor was considered to be appropriate for all the units, given their geography and market sector. As a consequence the Directors do not consider any need for impairment to Goodwill as at 31 December 2011.

11. Other Intangible Assets

	Client contracts $000's	Customer Relationships $000's	Total $000's
Cost and net book value			
At 16 August 2011	–	–	–
Acquisition of subsidiaries	7,499	15,455	22,954
At 31 December 2011	**7,499**	**15,455**	**22,954**
Accumulated amortisation			
At 16 August 2011	–	–	–
Amortisation for the year	(189)	(104)	(293)
At 31 December 2011	(189)	(104)	(293)
Carrying amount	**7,310**	**15,351**	**22,661**

The costs of customer relationships were determined as at the date of acquisition. The valuations used the discounted cash flow method, assuming rates of customer attrition and sales growth in line with the Group's strategic plan. The discount rate of 11.54% was applied to the cash flow of each unit, as described above.

12. Property Plant and Equipment

	Property, plant and equipment $000's	Total $000's
Cost		
Additions and at 31 December 2011	4	4
Depreciation		
Charge for the period and at 31 December 2011	–	–
Carrying amount		
At 16 August 2011	–	–
At 31 December 2011	4	4

13. Acquisitions

LS Legacy Sports Group LLC ("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 consideration for Legacy was made up as follows:

- initial cash consideration of $20.5 million, reduced by a working capital adjustment of $1.3 million, payable on completion;
- deferred consideration payable of $7.0 million to be satisfied by the issue of 22,317,159 new ordinary shares to be issued on 8 December 2013;
- $3.5 million to be satisfied by the issue of 11,158,579 new ordinary shares (the "Legacy Deferred Shares") which are to be issued on 8 December 2013. If dividends are declared and paid prior to this date, the Legacy vendors will be entitled to receive a payment equal to the dividends that they would have received if they were the owner of the Legacy

13. Acquisitions (continued)

Deferred Shares as of the time of such dividends. The Company will use its reasonable best efforts to satisfy the obligation to issue the Legacy Deferred Shares by placing 11,158,579 new ordinary shares and delivering the net proceeds from such placing to the Legacy vendors. This component of consideration is recorded as a liability on the Group's balance sheet as a result of the reasonable best efforts requirement of the Group to satisfy the consideration from a future placing. The fair value of this liability of $3.8 million was estimated based on the Group's year end share price; and

- up to $8.0 million, payable in five earn-out payments of up to $1.6 million each, payable in cash following the end of each of the five years following completion of the acquisition, contingent upon the achievement by the Legacy business of certain EBITDA targets in each year. These earn-out payments can also be earned if the aggregate EBITDA for those periods equals or exceeds the cumulative amounts of those targets.

	Book value at acquisition $000's	Revaluations $000's	Provisional Fair value $000s
Intangible assets	–	15,912	15,912
Tangible Assets	41	(41)	–
Trade and other receivables	2,947	(150)	2,797
Trade and other payables	(51)	–	(51)
Long term liabilities	(8)	–	(8)
Total	**2,929**	**15,721**	**18,650**
Goodwill			18,081
Purchase Consideration			**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**

The goodwill of $18.1 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. None of the goodwill is expected to be deductible for income tax purposes.

Acquisition-related costs (included in administrative expenses) amount to $0.5 million.

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 two businesses focus on sports marketing and has a strong client roster of 20 golfers; over 20 broadcast clients; over 40 college basketball and NFL coaches; and the off field activities of NFL players such as Colt McCoy. Consideration for Agency was made up as follows:

- initial cash consideration of $5.3 million;
- a further $0.3 million payable in cash after completion contingent on certain cash collection targets on the acquired trade receivables;
- deferred consideration payable of $3.9 million to be satisfied by the issue of 12,484,856 new ordinary shares to be issued on 8 December 2013;

13. Acquisitions (continued)

- $0.5 million to be satisfied by the issue of 1,434,674 new ordinary shares (the "Agency Deferred Shares") which are to be issued on 8 December 2013. If dividends are declared and paid prior to this date, the Agency vendors will be entitled to receive a payment equal to the dividends that they would have received if they were the owner of the Agency Deferred Shares as of the time of such dividends. The Company will use its reasonable best efforts to satisfy the obligation to issue the Agency Deferred Shares by placing 1,434,674 new ordinary shares and delivering the net proceeds from such placing to the Agency vendors. This component of consideration is recorded as a liability on the Group's balance sheet as a result of the reasonable best efforts requirement of the Group to satisfy the consideration from a future placing. The fair value of this liability of $0.5 million was estimated based on the Group's year end share price; and
- up to $4.261 million, payable in three earn-out payments ranging from $0.991 million to up to $2.24 million, payable in cash following the end of each of the first, second and third years following completion of the acquisition, contingent upon the achievement by the Agency business of certain EBITDA targets in each year. These earn-out payments can also be earned if the aggregate EBITDA for those periods equals or exceeds the cumulative amounts of those targets.

	Book value at acquisition $000's	Revaluations $000's	Provisional Fair value $000's
Intangible assets	–	7,042	7,042
Tangible Assets	1	(1)	–
Trade and other receivables	843	(58)	785
Total	**844**	**6,983**	**7,827**
Goodwill			5,974
Consideration			**13,801**
Less deferred payable in cash discounted to present value			(4,113)
Less deferred consideration payable in equity			(3,866)
Less deferred consideration payable in cash or equity			(537)
Cash outflow on acquisition			**5,285**

The goodwill of $6.0 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. None of the goodwill is expected to be deductible for income tax purposes.

Acquisition-related costs (included in administrative expenses) amount to $0.5 million.

14. Trade and other receivables

	2011 $000's
Amount receivable for the provision of services	3,159
Other debtors	857
Prepayments	62
	4,078

14. Trade and other receivables (continued)

Trade receivables

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

Ageing of past due but not impaired receivables.

	2011 $000's
0-30 days	175
30-60 days	2,984
60-90 days	–
90-120 days	–
Total	**3,159**

The Directors has 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 carry amount of trade receivables is considered a reasonable approximation of their fair value.

15. Trade Payables

	2011 $000's
Amounts payable to providers of services	2,083
Accruals and other amounts payable	1,004
State taxes payable	62
Total	**3,149**

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

16. Borrowings

	2011 $000's
Secured borrowing at amortised cost	
Bank loans	10,000
Debt costs amortised over the life of the facility	(467)
	9,533
Total borrowings	
Amount due for settlement within 12 months	1,907
Amount due for settlement after 12 months	7,626
	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
- Repayments are made quarterly evenly over the life of the loan;
- The loan is for 5 years and expires on 8 December 2016.

17. Financial derivatives

	2011 $000's
Interest Rate Swap	78
	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 2011 and had a fair value liability of $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:

	2011 $000's
Within 6 months	257
In 6 to 12 months	235
1 to 5 years	897

18. Deferred Consideration

Under the terms of the acquisition agreements referred to in note 13 the Company has obligations to the vendors of those businesses as set out below:

	2011 $000's
Payable in less than one year – Settled by way of cash consideration	303
Payable in one to two years – Settled by way of cash or issue of shares (see note 13)	4,321
Payable in two to five years – Settled by way of cash consideration	10,660
Payable in more than five years – Settled by way of cash consideration	1,600
Impact of discounting on provisions payable in cash at the borrowing rate of 5.22%	(1,740)
Total deferred consideration payable	**15,144**

In addition to the liabilities detailed above an additional $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)

19. Operating Leases

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

	With 1 Year $000's	1-5 Years $000's	After 5 Year $000's	Total $000's
Leases	469	1,325	50	1,844

The above represents a number of office premises. During the period $26,938 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
	1,277,220	**1,984,928**	**63,860,990**

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

21. Equity

	Share Capital $000's	Share Premium $000's	Shares to be issued $000's	Foreign Currency Reserve $000's	Retained Earnings $000's	Total $000's
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**

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).

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;
- The Legacy Agency Inc., incorporated under the laws of Delaware, United States of America, undertakes the business of Athlete Representation and Sports Marketing.

23. Notes of Cash flow Statement

	2011 $000's
Operating loss for the period	(3,102)
Adjustments for:	
Amortisation of intangible assets	293
Exceptional costs paid in shares	1,246
Operating cash flows before movements in working capital	(1,563)
Increase in receivables	(496)
Increase in payables	2,203
Cash generated by operations	144
Income taxes paid	(3)
Foreign exchange gains and loses	174
Net cash from operating activities	315
Cash and cash equivalents	
Cash and bank balances	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 as at 31 December 2011.

25. Related Parties

Leftfield Management Services LLC was paid $90,000 at the admission of the Company to AIM. Michael Principe is a direct beneficiary, and Bart Campbell and Dwight Mighty are indirect beneficiaries, of Leftfield Management Services.

Greg Genske, is deemed to be a related party as a beneficiary of the agreement relating to the acquisition of LS Legacy Sports LLC and he also has a loan of $9,386 from the Company as at 31 December 2011.

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 Members have evaluated

26. Critical accounting judgements and key sources of estimation uncertainty (continued)

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 $24.1 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.

Share-based payments

The share payments made in respect of admission of the Company to AIM for goods and services received are required to be charged at fair value. The Directors have assessed that as the shares were issued at the placing price at the date of admission that this represented the fair value and this charge was made to the income statement.

Fair value on acquisition

The Directors have assessed the fair value of assets and liabilities in respect of the acquisition of the subsidiary companies.

Deferred consideration

The Directors have provided an estimate of the amount payable in respect of deferred contingent consideration. 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.

27. Financial risk management objectives

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

Interest rate risk

The Group finances its activities through a mixture of retained cash, operating cash flow, bank debt and equity finance. The Group monitors its exposure to interest rate risk in association with the bank debt and when investing its cash resources and has taken the decision to fix its rates at 5.22% for a period of five years on 16 December 2011. Given this interest rate swap, interest rate fluctuations are not currently seen as sensitivity.

Credit risk

The Group's customers include athletes, talent and large corporations. Whilst dependant on it most high profile clients the board believe that it has structures in place to mitigate the risk of non-payment. In addition the regulatory framework around Major League Baseball in particular underpins this confidence. Historically there have been few instances of non-payment with late payers settling outstanding balances in an acceptable time frame. The enlarged group has over 130 clients which spread the risk going forward. It is a focus of the Board to closely monitor receivables as part of its KPIs.

Liquidity risk

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

Currency risk

The business principally trades in US dollars and it is considered to be little currency risk.

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 period from 16 August 2011 to 31 December 2011, which comprise the 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 2011
- 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. In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the provisions of the Companies Act 2006 that would have applied were the company a quoted company.

Ian James Smith (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Gatwick,
21 May 2012

TLA Worldwide PLC

Company Balance Sheet
31 December 2011

	Note	31 December 2011 $000's
Fixed assets		
Investments	2	15,977
Loan to subsidiary undertakings		10,866
		26,843
Current assets		
Debtors: Amounts falling due within one year	3	341
Cash at bank and in hand		1,561
		1,902
Creditors: Amounts falling due within one year	4	(1,348)
Net current assets		554
Total Assets less current liabilities		27,397
Net assets		27,397
Capital and reserves		
Called-up Share Capital	5	1,985
Share Premium account	6	16,262
Shares to be issued	6	10,866
Profit and loss account	6	(1,716)
Shareholders' funds		27,397

These financial statements were approved by the board of directors' and authorised for issue on 21 May 2012. They are signed on its behalf by:

Michael Principe
21 May 2012

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 May 2012. The Company reported a loss for the year ended 31 December 2011 of $1.7 million

The principal accounting policies of the Company are set out below are set out below.

Investments

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

Classification of financial instruments issued by the Company

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

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

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

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

Taxation

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

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

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

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS (continued)

1. Accounting policies (continued)

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

	2011 $000's
Cost	
Additions as at 31 December 2011	15,977

At 31 December 2011 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

3. Debtors

	2011 $000's
Amounts falling due within on year	
Other debtors	280
Prepayments	61
	341

4. Creditors: Amounts falling due within one year

	2011 $000's
Trade creditors	1,291
Accruals and deferred income	57
Total	1,348

5. Called up Share capital

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

	Nominal Value £	Nominal Value $	Number
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
	1,277,220	1,984,928	63,860,990

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS (continued)

6. Reserves and reconciliation of shareholders funds

	Share Capital $000s	Share Premium $000's	Shares to be issued $000's	Retained Earnings	Total $000's
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		10,866
Balance at 31 December 2011	**1,985**	**16,262**	**10,866**	**(1,716)**	**27,397**

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

7. Related parties

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

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

8. Financial risk management objectives and policies

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

9. Auditor's remuneration

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

10. Directors and employees

The average monthly number of employees was:

	2011 Number
Management	1
	1

Their aggregate remuneration comprised:

	2011 $000's
Wages and salaries	11
Social security costs	1
	12

Shareholder information

Annual General Meeting 21 June 2012

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Gatwick

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