29 April 2014

TLA Worldwide plc

("TLA" or "the Group")

Preliminary Results for the year ended 31 December 2013

TLA Worldwide plc (AIM: TLA), a leading athlete representation and sports marketing business, is pleased to announce its preliminary results for the year ended 31 December 2013.

Financial Highlights

- Reported revenue increased by 23% to $18.6 million (2012: $15.1 million) reflecting continued organic growth (5% for the year) and the first full year contribution from Peter E Greenberg & Assoc. ("PEG")
- Total long term contracted revenues increased by 45% to $58 million (2012: $40 million) providing excellent forward revenue visibility
- Headline EBITDA[1] increased by 11% to $7.3 million (2012: $6.6 million), representing a Headline EBITDA margin[2] of 39% (2012: 44%)
- Cash balances at year end amounted to $4.4 million (2012: $4.1 million)
- Headline profit before tax[3] increased by 14% to $6.8 million (2012: $6.0 million)
- Final dividend raised by 17% to 0.7 pence (2012: 0.6 pence)
- Headline EPS[4] growth of 27% to 5.34 cents (2012: 4.19 cents)
- Statutory operating profit of $1.4 million (2012: $1.2 million) and statutory profit before tax of $0.05 million (2012: loss $0.08 million) respectively

Operational Highlights

- The Group's total client base rose by 16% to 440
- Achieved number one position in professional baseball by total player roster
- Baseball representation reported revenues rose by 30% to $13.1 million
- Sports marketing reported revenue increased by 10% to $5.5 million driven by good client growth in golf, American football, broadcast and coaching
- 12 PGA TOUR players on roster with three PGA TOUR wins in early 2014
- Launched an events business, with proprietary IP, which will deliver an annuity income from events created, from 2014 onwards with a strong pipeline
- Launched a media and TV rights consultancy, with the NHL as the first client

[1] Operating profit adjusted to add back depreciation, amortisation of acquired intangible assets and any acquisition related charges, share-based payment charges and exceptional items excluding the unrecognised revenue of $1.6 million and the EBIT of $1.4 million
[2] Headline EBITDA divided by Reported revenue
[3] Headline EBITDA after bank interest and depreciation
[4] Headline profit per share is defined as adjusted profit for the period divided by the weighted average number of ordinary shares in issue during the period. Headline profit for the period is defined as loss for the period adjusted to add back amortisation of acquired intangible assets and any other acquisition related charges, share based payment charges, fair value movement on financial derivatives and exceptional items

2014 Outlook

- First quarter revenues up over the same period last year and trading momentum remains encouraging across all activities
- Positive outlook for 2014 given the new long-term media and broadcasting rights in baseball, sports marketing growth and our developing events business
- On track for another year of solid growth, underpinned by excellent revenue visibility

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

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

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About TLA Worldwide

TLA Worldwide is a ***leading athlete representation and sports marketing group*** quoted on London's AIM. The Group derives revenues from long term agency relationships with many prominent US and international sports stars, broadcasters and media personalities associated with major sports including American Football, baseball, basketball and golf. In addition, it also provides a range of services in respect of media consultancy, sports sponsorship and event production to many sportspeople and corporate clients. A significant proportion of TLA Worldwide's business emanates from baseball where it is a recognised leader, having negotiated over $3 billion of contracts over the past 10 years. With over 55 full-time personnel, TLA Worldwide serves its clients through three operating subsidiaries from 10 locations worldwide including its principal offices in London, UK; New York and Newport Beach, USA; and Melbourne, Australia. For more please see www.tlaww-plc.com

Overview

We are pleased to report a good operational and financial performance for 2013. The results reflect a growing momentum across the Group, driven by organic growth as well as the acquisition of PEG, the New York City based baseball practice, in late 2012. Overall trading conditions in North American baseball and sports marketing, the mainstay of the Group's business, continue to be positive.

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

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

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

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

Market opportunity and strategy

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

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

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

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

Operational Review

The Group’s two divisions made good progress in 2013 with both increasing their revenues and operating profits compared with 2012. The move from our multiple offices in New York City into a single location at Times Square in June 2013 has completed the integration of the business.

Baseball representation

The baseball representation business, which derives revenues through long term relationships with many established and young players, had a solid year. Revenues increased by 30% to $13.1 million in 2013 (2012: $10.1 million), reflecting like for like organic growth of 5% and the first full year contribution from PEG. Based in New York City, PEG is particularly strong in representing Spanish-speaking players of Latin American origin.

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

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

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

As set out in the Group’s half-year results, the Draft (the mechanism for appropriating young players to teams) did not produce the revenues that we expected. This was caused by injuries to players who consequently deferring being drafted. We expect these players will return to the Draft with TLA in the future.

Sports marketing

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

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

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

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

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

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

New revenue streams

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

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

People

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

Financial review

Total reported group revenues increased by 23% to $18.6 million (2012: $15.1 million) with organic growth accounting for 5% of the increase and the remainder attributable to the first full year contribution from PEG.

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

Statutory profit before tax amounted to $0.05 million compared with a loss of $0.08 million in 2012. Headline profit before tax increased by 37% to $6.8 million despite a significant investment in people and the development of new TLA-conceived events to provide a foundation for long-term growth.

Headline earnings per share increased by 27% to 5.34 cents.

Net debt was $6.0 million as at 31 December 2013, compared with net debt of $3.9 million the previous year. The increase in net debt was attributable to the Group’s working capital requirements, including $4.0 million of earn-out and the costs of relocating our two offices in New York into one new office. Total cash earn-out payments due in 2014 are a maximum of $1.8 million of which $1.0 million was paid prior to the end of March 2014. A further reduction in net debt is expected by the year end.

Exceptional items largely relate to the costs of integrating the two offices into one new office in New York, including a charge for an onerous lease provision relating to the former PEG offices.

Outlook

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

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

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

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

TLA Worldwide plc

Group Income Statement
For the year ended 31 December 2013

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

TLA Worldwide plc

Group Statement of Comprehensive Income
For the year ended 31 December 2013

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

TLA Worldwide plc

Group Balance Sheet
31 December 2013

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

TLA Worldwide plc

Group Statement of Cash Flows
For the year ended 31 December 2013

	Note	Year ended 31 December 2013 $000	Year ended 31 December 2012 $000
Net cash from operating activities	7	**3,332**	**2,421**
Investing activities			
Purchases of property, plant and equipment		(181)	(41)
Deferred consideration paid		(4,005)	(303)
Acquisition of subsidiary undertakings		-	(2,410)
Net cash used in investing activities		**(4,186)**	**(2,754)**
Financing activities			
Interest paid		(410)	(492)
Repayment of borrowings		(1,000)	(2,000)
Fees paid on issue of new bank loans		(81)	-
Increase in borrowings		3,400	-
Dividend		(821)	-
Issue of shares for cash consideration (net of issue costs)		71	3,834
Net cash from financing activities		**1,159**	**1,342**
Net increase in cash and cash equivalents		**305**	**1,009**
Cash and cash equivalents at beginning of period		**4,124**	**3,115**
Cash and cash equivalents at end of period		**4,429**	**4,124**

TLA Worldwide plc
Group Statement of Changes in Equity

	Share Capital	Share Premium	Shares to be issued	Foreign Currency Reserve	Retained Earnings	Total
	$000	**$000**	**$000**	**$000**	**$000**	**$000**
Balance at 31 December 2011	**1,985**	**16,262**	**10,866**	**174**	**(2,684)**	**26,603**
Total comprehensive income for period	-	-	-	(88)	(1,196)	(1,284)
Equity issued during the period	756	7,332	-	-	-	8,088
Equity costs charged during the period	-	(198)	-	-	-	(198)
Deferred consideration to be settled in equity	-	-	1,311	-	-	1,311
Balance at 31 December 2012	**2,741**	**23,396**	**12,177**	**86**	**(3,880)**	**34,520**
Total comprehensive income for period	-	-	-	350	151	501
Equity issued during the period	6	65	-	-	-	71
Balance at 31 December 2013	**2,747**	**23,461**	**12,177**	**436**	**(3,729)**	**35,092**

Notes to the preliminary announcement of results

Principal accounting polices

While the financial information included in this preliminary announcement has been prepared in accordance with the recognized and measurement criteria of International Financial Reporting Standards (IFRS), this announcement does not itself contain sufficient information to comply with IFRSs. The Company expects to publish full financial statements that comply with IFRSs in May 2014.

The financial information set out above does not constitute the Company's statutory accounts for the year ended 31 December 2013, or year ended 31 December 2012, but is derived from those accounts. Statutory accounts for 2012 have been delivered to the Registrar of Companies and those for 2013 will be delivered following the Company's annual general meeting. The auditors have reported on those accounts; their reports were unqualified, did not draw attention to any matters by way of emphasis without qualifying their report and did not contain statements under s498(2) or (3) Companies Act 2006.

Going concern

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

1. Segmental Analysis

The Group reports its business activities in two areas: Baseball Representation and Sports Marketing. Unallocated represents the Group's costs as a public company, along with intragroup transactions, and exceptional items (see note 3). The Group derives its revenues in the United States of America.

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

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

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

IFRS 8 paragraph 34 requires disclosure of revenues by customer for each customer that generates in excess of 10 per cent of the Group's total revenues in a period. In the year ended 31 December 2013, there were no clients who generated in excess of 10 percent of total revenue (31 December 2012: nil).

1. Segmental Analysis (Continued)

Year ended 31 December 2013

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

Assets	45,335	14,777	1,539	61,651
Liabilities	(222)	(1,390)	(24,947)	(26,559)
Capital Employed	**45,113**	**13,387**	**(23,408)**	**35,092**

1. Segmental Analysis (Continued)

Year ended 31 December 2012

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

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

2. Earnings per share

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

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

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

Headline earnings per share (see below)

	Year ended 31 December 2013 cents per share	Year ended 31 December 2012 cents per share
Basic headline earnings per share	5.34	4.19
Diluted headline earnings per share	5.34	4.19

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

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

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

3. Exceptional Items

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

4. Taxation

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

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

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

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

5. Borrowings

	2013 $000	2012 $000
Secured borrowing at amortised cost		
Bank loans	7,000	8,000
Revolving credit facilities	3,400	-
Debt costs amortised over the life of the facility	(152)	(294)
	10,248	**7,706**
Total borrowings		
Amount due for settlement within 12 months	4,352	1,907
Amount due for settlement after 12 months	5,896	5,799
	10,248	**7,706**

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

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

6. Deferred Consideration

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

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

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

6. Deferred Consideration (continued)

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

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

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

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

7. Notes of cash flow statement

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

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

8. Annual report and accounts

Copies of the annual report and accounts for the period ending 31 December 2013 together with the notice of Annual General Meeting will be issued shortly and will be available to view and download from the Company's website: www.tlaww-plc.com