HAWKWING

Annual Report and Financial Statements
For The Year Ended 31 December 2019

HAWKWING PLC
(Formerly TLA Worldwide plc)

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For The Year Ended 31 December 2019

Co.Reg.no 07741649 (England and Wales)

Contents

STRATEGIC REPORT

2019 Full Year Results

The Company's headline results following the 2018 sale of the US businesses and 2019 sale of the Australian business are set out as follows:

HEADLINE RESULTS	Year ended 31 December 2019	Year ended 31 December 2018
	$000	$000
Revenue	-	-
Operating loss	**(444)**	**(42,774)**
Headline EBITDA[1]	(924)	328
Loss before tax	**(444)**	**(42,774)**

1. Headlind EBITDA is operating lodd adjusted to remove the impact of exceptional income/costs

STATUTORY FIGURES	Year ended 31 December 2019 $000	Year ended 31 December 2018 $000
Operating loss	(444)	(42,774)
Loss before tax	(444)	(42,774)
Loss after tax	(442)	(42,776)
Loss per share (dollars)	(0.003)	(0.298)

BALANCE SHEET	31 December 2019	31 December 2018
	$000	$000
Current assets		
Trade and other receivables	84	234
Cash and cash equivalents	227	814
	311	**1,048**
Current liabilities		
Trade and other payables	(125)	(424)
Net assets	**186**	**624**

Amounts disclosed above, and throughout these unconsolidated financial statements, in respect of the period ended 31 December 2018 relate to the results and financial position of the Company only, as opposed to the Group figures which formed the basis of the 31 December 2018 audited financial statements.

STRATEGIC REPORT (continued)

Outlook and AIM Rule 15

During the year Hawkwing PLC has divested its Australian business. The US businesses were divested in 2018. The Company has now become an 'AIM Rule 15 cash shell'. The Company's strategy is to acquire a business that is seeking an AIM quoted platform via a Reverse Takeover. The Directors are considering opportunities in a number of sectors and are focusing on an acquisition that can create value for shareholders in the form of capital growth and/or dividends.

As an AIM Rule 15 cash shell, the Company is required to make an acquisition or acquisitions which constitutes a reverse takeover under AIM Rule 14 on or before the date falling six months from the completion of the sale of the Australian business or be re-admitted to trading on AIM as an investing company under the AIM Rules (which requires the raising of at least £6 million of new equity funding) failing which, the Company's Ordinary Shares would then be suspended from trading on AIM pursuant to AIM Rule 40. AIM has extended the period between suspension and the cancellation of a company's shares to twelve months for all companies suspended between 30 September 2019 and 1 July 2020, as a result of COVID-19. Therefore the Company has until 6 March 2021 to make an acquisition. COVID-19 may impact the Company's ability to execute an acquisition during this period. However, the Directors will review, on an ongoing basis, the options for the Company, including raising additional funds; the impact of a delisting given the Company would have to seek a re-admission to AIM if it was delisted or not; and removing its suspension by moving the Company's listing.

STATUTORY LOSS AFTER TAX

For the year ended 31 December 2019, the Company reported a loss after tax of $0.4 million (2018: loss of $42.8 million).

Performance at the operating level, before exceptional income/charges showed a Headline EBITDA loss of $0.9 million (2018: profit of $0.3 million).

Loss per share attributable to owners of the Company was $0.003 (2018: loss of $0.298).

CASH FLOW AND BANKING ARRANGEMENTS

Cash balances as at 31 December 2019 were $0.2 million (31 December 2018: $0.8 million).

The Company had no external borrowings at 31 December 2019 (2018: nil).

BALANCE SHEET POSITION

The Company has net assets at the end of December 2019 of $0.2 million (31 December 2018: net assets of $0.6 million). Total liabilities (current) were $0.1 million (31 December 2018: $0.4 million).

FUTURE DEVELOPMENTS

The Company has become an AIM Cash Shell following disposal of its subsidiaries in 2019 and it is the board's intention to seek a new business to reverse into the Company.

As stated above, an additional period is now available between suspension and the potential cancellation of the Company's shares. The Directors will review, on an ongoing basis, the options of the Company including raising additional funding for due diligence on potential acquisitions and working capital; the impact of being delisted, given the fact that the Company would have to seek a re-admission to AIM if an acquisition is successful; and removing the suspension of its shares by listing on another market.

During this transition the board intends to keep costs to a minimum to preserve cash. The Non-Executive directors have therefore waived their fees since 1 January 2019.

DIVIDENDS

The board is not in a position to propose a final dividend for the year (2018: $nil).

PRINCIPAL RISKS AND UNCERTAINIES

The management of the Company and the execution of the Company's strategies are subject to certain risks; however the Company's current operations are such that most risks are negligible. The key business risks are shown below.

Risk management
The risks that the Company faces have been considered and policies have been implemented to best deal with each risk. The most significant risks are set out as follows:

Credit risk
The Company has no trade receivable balances and only minor other receivables and thus there is no significant current risk of non-payment.

Liquidity risk
The Company is currently being maintained as an AIM Cash Shell under AIM Rule 15 and the board intends to complete a reverse takeover within 18 months from the date of the sale of the Australian businesses in September 2019, during which period the board will keep costs to a minimum in order to preserve cash.

Currency risk
The Company's only current exposure to currency risk is with regard to amounts held in foreign currency bank accounts. The non-sterling cash balances at 31 December 2019 were US$12k (2018: US$798k).

KEY PERFORMANCE INDICATORS ("KPI's")

Following the divestment of its investments in group undertakings, the Company no longer manages its operational performance using KPIs. As a result, performance against KPIs is not presented within these financial statements.

The Company's immediate future performance criteria relate to a successful future acquisition/reverse takeover.

STATEMENT OF DIRECTOR'S DUTIES TO STAKEHOLDERS (S.172 Report)

The Directors of the Company have a duty to promote the success of the Company. A director of the Company must act in the way they consider, in good faith, to promote the success of the Company for the benefit of its members, and in doing so have regard (amongst other matters) to:

- the likely consequences of any decision in the long term;
- the interests of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and the environment;
- the desirability of the Company to maintain a reputation for high standards of business conduct; and
- the need to act fairly between members of the Company.

The Directors are committed to developing and maintaining a governance framework that is appropriate to the business and supports effective decision making coupled with robust oversight of risks and internal controls.

Engagement with employees

The Company currently does not have any employees (other than directors) or customers but recognizes that the long-term success of the business relies on effective engagement with customers and employees.

Engagement with suppliers

The Company's only suppliers currently are those supplying professional services. The Company manages relationships with suppliers as closely as possible to ensure the services provided meet the Company's high standards.

Engagement with shareholders

Feedback from investors is obtained through direct interaction between the Company's board. The voting record at the Company's general meetings is monitored for any investor feedback/issues.

There is regular dialogue through the medium of the Company's corporate brokers and the Company seeks to stay abreast of shareholder expectations and reactions through its brokers, registrars, investor roadshows and meetings with key investors***.***

The Board recognises the importance of effective communication with its shareholders. A range of corporate information is available on the Company's website, and this statement and the information within the Company's Annual Report and Accounts provide details to stakeholders on how the Company is governed. Company performance is communicated to its shareholders and the market in its results announcements, with further trading updates made where required and appropriate.

Approved by the Board of Directors and signed on its behalf by:

Dwight Mighty
Director

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Board of Directors

Keith Sadler – Senior Independent Non-Executive Director (61)

Keith is a non-executive director of Warpaint plc, a global colour cosmetics company operating under a number of brand names, for which he chairs the audit and remuneration committees. He was formerly chief financial officer of A Spokesman Said Limited, a radio station operating under the name Love Sport and an online price comparison site and, until December 2014, chief financial officer of Dods Group PLC, a political communications business, and formerly chief operations officer and group finance director of WEARE 2020 plc. Prior to this he was chief executive and group finance director of SPG Media Group plc, a marketing services business, group finance director of The Wireless Group 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.

Ian Robinson – Non-Executive Director (73)

Ian is currently chairman and a non–executive director of Jaywing Plc, an AIM listed agency and consulting business specialising in data science, and a non-executive director of Gusbourne Plc and an AIM listed English sparkling-wine business. He is also a director of a number of other privately-owned businesses.

He has held other senior financial appointments both in the UK and overseas. He is a Fellow of the Institute of Chartered Accountants in England & Wales, having trained with Peat, Marwick, Mitchell & Co (now KPMG) in London. He holds an honours degree in economics from The University of Nottingham.

Ken Wotton – Non-Executive Director (46)

Ken Wotton is currently Managing Director, Public Equity at Gresham House Asset Management Limited where he leads the Public Equity investment team and sits on the Baronsmead VCT Investment Committee, the Gresham House Equity Funds Investment Committee and the Strategic Public Equity Investment Committee. Ken has over 20 years' experience of financial markets and has spent the past 12 years investing in public and private markets specialising in smaller entrepreneurial growth companies.

Ken was previously an investor at private equity firm Livingbridge where he was a Director and Head of Quoted Investments and a member of Livingbridge VC LLP and the Livingbridge VC Investment Committee. Ken started his career at KPMG before becoming an equity research analyst with Commerzbank; then Evolution Securities, building a sector expertise in telecoms and technology and knowledge of large and small listed companies and corporate transactions. Ken holds an MA in Politics, Philosophy and Economics from Brasenose College, Oxford and an ACA from the Institute of Chartered Accountants in England and Wales.

Dwight Mighty – Independent Non-Executive Director (59)

Dwight was COO of Hawkwing (previously TLA Worldwide plc) from December 2011 to September 2019 and was appointed as a director after selling all of its trading activities in the USA, Australia and UK.

Prior to this he was Chief Financial Officer and became Chief Operating Officer of Essentially Group plc, a Sports Marketing and Management business until it was acquired by Chime Communications Plc (Chime). At Essentially, Dwight was responsible the Group's operational and financial control as well as its M&A and the regulatory and market reporting of the group. On acquisition by Chime Dwight became a member of the operating board of the Chime Sports Marketing division. Dwight holds an MBA from Henley Management College and is an Associate of the Chartered Institute of Bankers in England.

Directors' report

The Directors present their report together with the financial statements for the year ended 31 December 2019.

Political and charitable donations
The Company made no charitable donations during the year (2018: $nil).

Directors
The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Ian Robinson
Keith Sadler
Ken Wotton
Dwight Mighty (appointed 27 September 2019)

Going concern
The Company's group sold its US businesses on 28 December 2018 and the Australian business was sold in September 2019. The Company also disposed of its UK subsidiary investment in December 2019, the activities of which had already been discontinued. Consequently, the Company has become an AIM Cash Shell under AIM Rule 15. The board intends to seek a business that can be reversed into. The Company has 18 months from the date of the sale of the Australian business to complete a reverse takeover, during which period the board intends to keep costs to a minimum in order to preserve cash. If it is not possible to complete a reverse takeover or should additional funds not be obtained to sustain the Company during the foreseeable future, the going concern position of the Company would be at risk.

COVID-19 may impact the Company's ability to complete an acquisition. The Directors will continue, on an ongoing basis, to review the Company's options including raising additional funding.

The requirement for the Company to obtain additional funding and to complete a reverse takeover give rise to a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. The Directors believe that the actions required to maintain the going concern position of the Company will be achieved and therefore the Directors have a reasonable expectation that the Company will continue in operational existence for the foreseeable future. As a result, the Board continues to adopt the going concern basis of accounting in preparing the financial statements.

Directors' interests
The present membership of the Board, together with biographies on each, is set out on page 6. Directors' interests in shares in the Company are set in the Directors' remuneration report.

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

Employees
The Company 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 Company 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.

Human rights
Whilst the Company does not have a specific human rights policy, it takes seriously the responsibility to respect human rights. Fairness and integrity are an important part of the way the business is run and employees are encouraged to raise any concerns in this area to management at the earliest opportunity.

Environmental policy
The Company is committed to minimising the environmental impact of the activity of its employees through the application of modern working practices and to reduce business miles travelled.

Anti-corruption and anti-bribery
The Company takes seriously the risks of its operations associated to corruption and fraud. The Company has implemented up to date internal control procedures to mitigate the risks of corruption and fraud and the Board acknowledges its responsibility for maintaining these improved processes.

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

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 Company's stakeholders when operating the business.

Supplier payment policy
It is the Company's policy and practice to settle its suppliers accounts on due dates according to agreed terms of credit. The creditor terms are for payment to be made between 30 and 60 days (2018: 30 to 60 days). The creditor days at the year-end were 48 days (2018: 58 days). The Company has $0.1 million of trade payables as at 31 December 2019 (2018: $0.2 million).

Share capital structure
Details of the Company's share capital are set out in note 11 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.

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

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

Financial instruments
Details of the financial risk management objectives and policies of the Company are given in note 16 to the financial statements.

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

Directors’ report (continued)

Substantial shareholdings (continued)

Shareholder	Shares	Equity %
Gresham House Asset Management Limited	17,880,952	12.47
Strand Associates	16,871,739	11.76
Nigel Wray	12,435,000	8.67
Gatemore Capital Management	11,112,490	7.75
Michael Principe	7,117,567	4.96
LGT Bank, Vadul (PB)	5,562,500	3.81
Scott Parker	4,493,208	3.13

During the period between 1 January 2019 and the date of approval of the financial statements the Company did not receive any notifications under chapter 5 of the Disclosure and Transparency Rules.

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

Auditor
RSM UK Audit LLP have expressed their willingness to continue as auditor and a resolution that they be re-appointed will be proposed at the Annual General Meeting.

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

- So far as the directors are aware, there is no relevant audit information of which the Company’s auditor is unaware; and
- The directors have taken all the steps that they ought to have taken as a director to make themselves 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.

By order of the Board,

Dwight Mighty
Company Secretary

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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 the Company has provided, in the Directors remuneration report, the necessary disclosure of the Directors' remuneration earned in respect of the financial year by each Director of the Company acting in such a capacity during the financial year. The Directors also feel it is appropriate to provide the following information to shareholders.

The Remuneration Committee
The Remuneration Committee is comprised of:

- Ian Robinson (Chairman)
- Keith Sadler
- Ken Wotton

The Remuneration Committee is comprised of non-executive Directors. Ken Wotton is managing Director, Public Equities of Gresham House Asset Management who hold 12.47% of the Company's equity, and Ian Robinson is closely affiliated the major shareholder of Strand Associates who hold 11.76% of the Company's equity. Ken Wotton and Ian Robinson are therefore not considered independent under the UK corporate governance code. The Board does consider the remuneration committee to act independently about remuneration issues.

The committee did not meet during the year. The Company Secretary is the secretary to the committee.

The committee seeks input from the Company Secretary. The committee refers to external evidence of pay and employment conditions in other companies and is free to seek advice from external advisers.

Remuneration policy
The Company's policy on remuneration for the current year and, so far as is practicable for subsequent years, is set out below. However, the Remuneration Committee believes that it should retain the flexibility to adjust the remuneration policy in accordance with the changing needs of the business. Any changes in the policy in subsequent years will be detailed in future reports on remuneration. The Company must ensure that its remuneration arrangements attract and retain people of the right calibre 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 Company. Pay levels set take account of contribution and individual performance, wage levels elsewhere in the Company and regarding relevant market information. The Company seeks to reward employees fairly and give them the opportunity to increase their earnings by linking pay to achieving business and individual targets.

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

Executive Directors are rewarded based on individual responsibility, competence and contribution and salary increases also consider pay awards elsewhere in the Company as well as external market benchmarking.

There were no Executive Directors during the year ended 31 December 2019.

Directors' remuneration report (continued)

Remuneration policy (continued)
In the ordinary course of business, performance-related elements form a substantial part of the total remuneration packages and are designed to align Directors' interest with those of shareholders. However, remuneration in 2019 included no performance-related elements in view of the cessation of activity.

In line with best practice and to bring the Directors' and shareholders' interest further into line, Executive Directors and the management team are encouraged to maintain a holding of ordinary shares in the Company.

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 comprise a basic fee of £30,000 per annum. In addition, Non-Executive Directors are paid £5,000 per annum for each committee that they sit on. The Non-Executive Directors agreed to waive their fees with effect from 1 January 2019, except for fees paid to Dwight Mighty as set out in the directors' emoluments table below.

Non-Executive Directors do not participate in any pension schemes or LTIP. The Company reimburses the reasonable expenses they incur in carrying out their Directors' duties.

Remuneration components – Executive Directors
A significant proportion of each Executive Directors' remuneration is performance related. The main components of the remuneration package for Executive Directors are:

- Basic salary
- Annual bonuses
- LTIP

Basic salary
Basic salary is set by the Remuneration Committee by taking into account the responsibility, individual performance and experience of the Executive Director, as well as market practice for executives in a similar position. Basic salaries are reviewed (but not necessarily increased) annually by the Remuneration Committee.

Bonuses
The Executive Directors were eligible to participate in annual bonuses. The performance requirements for the ability to earn a bonus are set by the committee annually and are quantitative related. There were no bonuses awarded in 2019.

Share incentive
The Company's share incentive scheme expired in 2017. No share incentives remained at 31 December 2018 or 31 December 2019.

Directors' remuneration report (continued)

Audited directors' remuneration

The total amount of the Directors' remuneration of the Company for the year ended 31 December 2019 is shown below.

	2019	2018
	$000	$000
Aggregate emoluments	6	779

The emoluments of the Directors are shown below:

	2019	2019	2019	2018
	Fees and salary	Benefit in kind	Total	Total
	$000	$000	$000	$000
Executive Directors				
Bart Campbell (resigned 2 August 2018)	-	-	-	334
Richard Shamsi (resigned 16 September 2018)	-	-	-	298
	-	**-**	**-**	**632**
Non-Executive Directors:				
Dwight Mighty* (appointed 27 September 2019)	6	-	6	-
Keith Sadler	-	-	-	53
Ian Robinson	-	-	-	53
Ken Wotton**	-	-	-	41
Aggregate emoluments	**6**	**-**	**6**	**779**

* Excludes salary paid prior to appointment as non-executive director

** Paid to Gresham House. Ken Wotton is managing director, public equities of Gresham House Asset Management

Directors' service agreements and letters of appointment

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

	Date of contract	Notice Period	Company with whom contracted
Keith Sadler	16 August 2011	6 months	Hawkwing plc
Ian Robinson	22 May 2014	6 months	Hawkwing plc
Ken Wotton	1 December 2016	6 months	Hawkwing plc
Dwight Mighty	9 August 2019	1 month	Hawkwing plc

In the event of termination of a contract, each director was entitled to compensation equal to their basic salary and bonus for their notice period. The Non-Executive Directors have agreed to waive their fees with effect from 1 January 2019.

Directors' remuneration report (continued)

Directors' interests in shares

The interests of the Directors in the share capital of the Company at 31 December 2019 were as follows:

	Number of shares	Equity %
Ian Robinson	40,000	0.28
Dwight Mighty	4,161,740	2.90

Pensions

No pension scheme existed in the Company at 31 December 2019.

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.

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 17. 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

Ian Robinson
Chairman, Remuneration Committee

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Corporate governance report

The Board of Hawkwing plc is responsible for the Company's corporate governance policies and recognises the importance of high standards of corporate governance and integrity. The Company has adopted the Quoted Companies Alliance Code for Small and Mid-sized Quoted Companies 2018 (the "QCA Code"), in line with the London Stock Exchange's recent changes to the AIM Rules requiring all AIM-listed companies to adopt and comply with a recognised corporate governance code, as the basis of the Company's governance framework.

The Board believes that good corporate governance reduces risks within the business, promotes confidence and trust amongst its stakeholders and is an important part of the effectiveness and efficiency of the Company's management framework. The Board considers that the Company complies with the QCA Code so far as is practicable having regard to the size, nature and current stage of the Company's development. The Company will provide annual updates on its compliance with the QCA Code.

The business is an AIM Rule 15 Cash Shell and it will therefore not comply with all the rules of the QCA code as indicated below due to its status, for example the Company does not have employees and therefore cannot communicate with them. If an acquisition is completed the Board expects to put processes in place to comply with all the QCA code requirements relevant to the business size and complexity.

The Company's application of the ten principles of the QCA Code are set below:

1. Strategy & business model

The Company's business model and strategy is set out in this document in the Strategic Report on pages 2 to 5 and also includes details of the key risks and challenges facing the Company.

2. Understanding and meeting shareholder needs and expectations

Feedback from investors is obtained through direct interaction between the Company's executive management team at meetings following its full year and half year results, and certain other ad hoc meetings that take place throughout the year. The voting record at the Company's general meetings is monitored and we are pleased that all resolutions were passed by shareholders at the 2019 Annual General Meeting.

There is regular dialogue through the medium of the Company's corporate brokers, Beaumont Cornish Limited, and the Company seeks to stay abreast of shareholder expectations and reactions through its brokers, registrars, investor roadshows and meetings with key investors.

3. Taking into account wider stakeholder and social responsibilities and their implications for long-term success

Due to the size of the Company, it does not currently have a policy for interaction with its wider stakeholder base. Nor does it have a social responsibility policy. These will both be reviewed on the successful completion of an acquisition.

4. Embedding effective risk management

The Company is a Cash Shell and its risk management controls are focused on cost, cash and regulatory matters. The relevant risk management controls will be re-established once an acquisition has been executed. These controls will reflect the risks, internally and externally, that the acquisition faces and how to mitigate and control these risks to ensure the delivery of the acquisition's strategy.

5. Maintaining a balanced and well-functioning board

The Board currently comprises four Non-Executive Directors being Keith Sadler, Ken Wotton, Ian Robinson and Dwight Mighty. Keith Sadler and Dwight Mighty are considered to be independent Non-Executive Directors. The Board believes the current structure is appropriate for the time being given the current status of the Company . The composition and operation of the Board is described on page 6 of this report and biographical details of the Board are also on page 6.

The Board delegates specific responsibilities to the Board committees. The composition of the committees and how they discharge their responsibilities can be found on pages 16 and 17 of the Annual Report and Accounts. Part of the role of the Board's is to ensure that the composition of the Board is kept under review as the Company's business evolves.

6. Having appropriate experience, skills and capabilities on the Board

The experience and skills of each of the Board members is set out on page 6 of this report and is both recent and relevant in all of their cases. The Board has significant and an appropriate level of experience, skill and capabilities given the nature and size of Company, but the Board does intend to appoint further independent Non-executive Directors in the future. A further update will be provided in this regard when appropriate.

The Board's skill set are appropriate to the Company as it seeks to make an acquisition. These skills cover mergers and acquisitions, investment management, finance and operational experience. All of which will be required in finding and structuring an acquisition. Given the Directors' other business interests, these skills are continually kept up to date.

7. Evaluating board performance

Due to the sale of the Company's trading businesses and its change to a Cash Shell the succession plans of both the Board and senior management and the evaluation of board effectiveness has not occurred. This will be reviewed on the successful completion of an acquisition.

8. Ethical values & behaviours

The Board recognises its responsibility for establishing high ethical standards of behaviour and corporate governance and the Company has policies in place which are appropriate for its current situation. On acquiring a business the Board will review the polices, including, but not limited to: health and safety; anti-bribery; environmental protection; equal opportunities; equality and diversity; training and development; whistleblowing and modern slavery, to support our approach of conducting business in an open and transparent manner that is in line with the core values. The board will monitor these polices by formal reporting to it by the CEO/COO and CFO when they are appointed.

9. Maintaining governance structures and processes

The role of each member of the Board is clearly defined. The Board has three committees: Audit, Remuneration and Nominations, each with its own terms of reference that are kept under regular review. The Board receives summaries of the matters considered at each meeting and the terms of reference for the Committees require that, for significant issues such as the approval of the Annual Report and Accounts, the role of the relevant Committee is to make a recommendation to the Board for a decision.

10. Communicating with shareholders and other relevant stakeholders

The Board recognises the importance of effective communication with its shareholders. A range of corporate information is available on the Company's website, and this statement and the information within the Company's Annual Report and Accounts provide details to stakeholders on how the Company is governed.

Company performance is communicated to its shareholders and the market in its results announcements, with further trading updates made where required and appropriate.

The Board
The Board of Hawkwing plc is comprised of the four Non-Executive Directors. Short biographical details of each Director are set out in the Board of Directors section. The Board is responsible to the shareholders for the proper management of the Company and meets at least five times a year to set the overall direction and strategy of the Company. All strategic operational and investment decisions are subject to Board approval.

The Board is also responsible for ensuring a healthy corporate culture. Based on the nature of its business and the stage of the Company's development, this is largely implemented informally through interaction with employees and the approach to recruitment, with the Directors promoting a transparent, flexible and open culture in recognition that this will best serve the Company's strategy.

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, Ken Wotton will retire at the upcoming AGM and, being eligible for re-election, offer himself for re-election.

Board Committees

Remuneration Committee
The composition of the Remuneration Committee is disclosed in the Directors' Remuneration Report. The Remuneration Committee, on behalf of the Board, as and when necessary, review and approve the contract terms, remuneration and other benefits of the Executive Directors, senior management and major remuneration plans for the Company.

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 Company successfully but does not pay more than is necessary for this service.

During the year the remuneration committee did not formally meet. Further details of the Company's policies on remuneration and service contracts are given in the Directors' remuneration report.

Audit Committee
The Audit Committee comprises three Non-Executive Directors, Keith Sadler, Ian Robinson and Ken Wotton. By invitation, the meeting of the Audit Committee may be attended by any other Directors and the external auditor. The Committee meets not less than twice annually. The Audit Committee oversees the monitoring of the adequacy and effectiveness of the Company's internal controls, accounting policies and financial reporting and provides a forum for reporting by the Company'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, considering relevant ethical guidance.

Nominations Committee
The Nominations Committee comprises three Non-Executive Directors, Keith Sadler, Ian Robinson and Ken Wotton. It is responsible for monitoring the composition and balance of the Board and making recommendations to the Board on potential new Board appointments.

In 2019, the Nominations Committee did not meet.

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

Attendance at Board and Committee meetings

Meeting	Board	Audit	Remuneration	Nominations
Total meetings held	*5*	*2*	-	-
Keith Sadler	5	2	-	-
Ian Robinson	5	2	-	-
Ken Wotton	5	2	-	-
Dwight Mighty	2	-	-	-

Relationship with shareholders
The Board recognises the importance of effective communication with the Company's shareholders to ensure that its strategy and performance is understood and that it remains accountable to shareholders. The Company communicates to investors through Interim Statements, audited Annual Reports, press releases and the Company's website (www.hawkwing.co). 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 Company's internal control and will continue to ensure that management keeps the internal control processes under regular review and enhance them wherever appropriate.

Management structure
The Company has a clearly defined organisational structure, with established lines of reporting and delegation of authority based on job responsibilities and experience.

Corporate governance report (continued)

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

Monitoring of controls
The Audit Committee receives reports from the auditor and reviews the effectiveness of the internal control environment of the Company. Formal policies and procedures are currently being improved to allow the Committee to monitor the controls in place to ensure the integrity and accuracy of the accounting records and to safeguard the Company's assets. Significant capital projects, acquisitions and disposals require Board approval.

Going concern
The Company's group sold its US businesses on 28 December 2018 and the Australian business was sold on 5 September 2019. The Company also disposed of its UK subsidiary investment in December 2019, the activities of which had already been discontinued. Consequently, the Company became an AIM Cash Shell under AIM Rule 15. The board intends to seek a business that can be reversed into. The Company has 18 months from the date of the sale of the Australian business to complete a reverse takeover, during which period the board intends to keep costs to a minimum in order to preserve cash. If it is not possible to complete a reverse takeover or should additional funds not be obtained to sustain the Company during the foreseeable future, the going concern position of the Company would be at risk.

COVID-19 may impact the Company's ability to complete an acquisition. The Directors will continue, on an on-going basis, to review the Company's options including raising additional funding.

The requirement for the Company to obtain additional funding and to complete a reverse takeover give rise to a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. The Directors believe that the actions required to maintain the going concern position of the Company will be achieved and therefore the Directors have a reasonable expectation that the Company will continue in operational existence for the foreseeable future. As a result, the Board continues to adopt the going concern basis of accounting in preparing the financial statements.

Corporate social responsibility
The Board recognises the growing awareness of social, environmental and ethical matters and it endeavours to consider the interests of the Company's stakeholders including investors, employees, suppliers and business partners when operating the business.

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

Audit Committee Report

On behalf of the Board, I am pleased to present the Audit Committee report for the financial period ended 31 December 2019. This report sets out the activities of the Audit Committee during 2019.

The Audit Committee is governed by terms of reference which are agreed by the Board and subject to annual review. The principal objectives of the Committee are to:

Corporate governance report (continued)

Principle responsibilities of the committee:

- Ensuring the financial performance of the Company is properly reviewed, measured and reported;
- Monitoring the quality and adequacy of internal controls and internal control systems implemented across the Company;
- Receive and review reports from the Company's management and auditors relating to the interim and annual accounts;
- Reviewing risk management policies and systems;
- Advising on the appointment, re-appointment and remuneration of independent external auditors, besides scheduling meetings with external auditors independent of management for discussions and reviews; and
- Reviewing and monitoring the extent and independence of non-audit services rendered by external auditors.

Members of the Committee

During the reporting period, the Committee comprised of Keith Sadler, Ian Robinson and Ken Wotton.

Internal controls and risk

The Board assigns to the Committee the responsibility of monitoring and improving the Company's internal controls governing the finances of the business. The system of internal controls is vital in managing the risks that the Company faces and safeguarding shareholders' interests.

Audit Process

The Committee reviews the findings of RSM UK Audit LLP and then approves the scope of work to be undertaken for the next financial reporting year, including the associated audit fees. In addition, a review of the effectiveness of the external audit process is undertaken and an annual assessment of the external auditor's independence is made.

By order of the Board

Dwight Mighty
Director

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Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' Report, the Directors' Remuneration Report, the Corporate Governance 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 elected to prepare the financial statements of the Company in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU").

The financial statements are required by law and IFRS as adopted by the EU to present fairly the financial position and performance of the Company. The Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

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 of the Company and of the profit or loss of the Company for that period.

In preparing the financial statements, the directors are required to:

a. select suitable accounting policies and then apply them consistently;

b. make judgements and accounting estimates that are reasonable and prudent;

c. state whether they have been prepared in accordance with IFRS as adopted by the EU;

d. 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 and the Directors' Remuneration Report 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.

Directors’ responsibilities statement (continued)

Directors’ statement pursuant to the Disclosure and Transparency Rules

Each of the directors, whose names and functions are listed in the Directors’ Report confirm that, to the best of each person’s knowledge:

a. the financial statements, prepared in accordance with IFRS as adopted by the EU give a true and fair view of the assets, liabilities, financial position and loss of the Company; and

b. the Strategic Report contained in the Annual Report includes a fair review of the development and performance of the business and the position of the Company together with a description of the principal risks and uncertainties that it faces.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Hawkwing plc 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
Director

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HAWKWING PLC

Opinion

We have audited the financial statements of Hawkwing plc (the 'company') for the year ended 31 December 2019 which comprise the income statement, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. 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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to Going Concern

We draw attention to the 'Going concern' section of the accounting policies on page 32 of the financial statements which states that the company has sold the US and Australian operations and terminated the trading activities of its UK operations. Since the sale of the Australian operations, the company became an 'AIM Rule 15 cash shell' and as no acquisition was made within the allotted time, the company's shares were suspended on 6 March 2020.

In order to continue in operation for a period of at least 12 months from the date of this report, additional funding will be required and, as set out on page 32, the directors believe that such funding will be obtained. As stated in the accounting policies, these conditions indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Summary of our audit approach

Key audit matters	• We did not identify any key audit matters to report
Materiality	• Overall materiality: $44,300 • Performance materiality: $33,200
Scope	Our audit procedures covered 100% of total assets and 100% of loss before tax.

Key audit matters

Except for the matter described in the Material uncertainty related to going concern section, we have determined that there are no key audit matters to communicate in our report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HAWKWING PLC *(continued)*

Our application of materiality

When establishing our overall audit strategy, we set certain thresholds which help us to determine the nature, timing and extent of our audit procedures. When evaluating whether the effects of misstatements, both individually and on the financial statements as a whole, could reasonably influence the economic decisions of the users we take into account the qualitative nature and the size of the misstatements. Based on our professional judgement, we determined materiality as follows:

Overall materiality	$44,300
Basis for determining overall materiality	10% of loss before tax
Rationale for benchmark applied	The primary users of the financial statements are considered to be the shareholders and given the stage of the company as an AIM cash shell with a very limited balance sheet, they will be most interested in the cash burn of the entity, which is reflected in the loss before tax.
Performance materiality	$33,200
Basis for determining performance materiality	75% of overall materiality
Reporting of misstatements to the Audit Committee	Misstatements in excess of $2,220 (5% of OM) and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.

An overview of the scope of our audit

The company has been subject to a full scope audit.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on pages 20 and 21, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HAWKWING PLC *(continued)*

Use of our report

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.

DAVID CLARK (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

Date: 3rd June 2020

HAWKWING PLC
(formerly TLA Worldwide plc)

Income Statement
For the year ended 31 December 2019

	Note	2019 $000	2018 $000
Administrative expenses		(464)	(46,926)
Other income		20	4,152
Operating loss	3	(444)	(42,774)
Headline EBITDA		(924)	328
Exceptional income/(costs)	3	480	(43,102)
Operating loss		(444)	(42,774)
Loss before taxation		(444)	(42,774)
Taxation	7	2	(2)
Loss for the year		**(442)**	**(42,776)**

Loss per share from continuing operations:			
Basic (dollars)	2	(0.003)	(0.298)
Diluted (dollars)	2	(0.003)	(0.298)

HAWKWING PLC
(formerly TLA Worldwide plc)

Statement of Comprehensive Income
For the year ended 31 December 2019

	2019 $000	2018 $000
Loss for the year	(442)	(42,776)
Exchange translation differences	4	(498)
Total comprehensive expense	**(438)**	**(43,274)**

HAWKWING PLC
(formerly TLA Worldwide plc)

Balance Sheet
31 December 2019

	Note	2019 $000	2018 $000
Current assets			
Trade and other receivables	9	84	234
Cash and cash equivalents		227	814
Total current assets		**311**	**1,048**
Current liabilities			
Trade and other payables	10	(125)	(424)
Net current assets		**186**	**624**
Net assets		**186**	**624**
Equity			
Share capital	11	4,473	4,473
Share premium	12	46,079	46,079
Merger reserve	12	309	309
Foreign currency reserve		(7,157)	(7,161)
Retained loss		(43,518)	(43,076)
Total equity		**186**	**624**

The financial statements of Hawkwing PLC, registered Company number 07741649 were approved by the Board of Directors and authorised for issue on 3 June 2020 and they are signed on its behalf by:

Dwight Mighty
Director

HAWKWING PLC
(formerly TLA Worldwide plc)

Statement of Changes in Equity
For the year ended 31 December 2019 and 2018

	Share Capital	Share Premium	Merger Reserve	Foreign Currency Reserve	Retained Loss	Total
	$000	$000	$000	$000	$000	$000
Balance at 1 January 2018	**4,473**	**46,079**	**309**	**(6,663)**	**(300)**	**43,898**
Total comprehensive income for the year	-	-	-	(498)	(42,776)	(43,274)
Balance at 31 December 2018	**4,473**	**46,079**	**309**	**(7,161)**	**(43,076)**	**624**
Total comprehensive income for the year	-	-	-	4	(442)	(438)
Balance at 31 December 2019	**4,473**	**46,079**	**309**	**(7,157)**	**(43,518)**	**186**

HAWKWING PLC
(formerly TLA Worldwide plc)

Statement of Cash Flows
For the year ended 31 December 2019

	Note	2019 $000	2018 $000
Net cash flows from operating activities	13	**(587)**	**586**
Net (decrease) / increase in cash and cash equivalents		**(587)**	**586**
Cash and cash equivalents at beginning of the year		**814**	**69**
Foreign currency translation effect		-	159
Cash and cash equivalents at end of the year		**227**	**814**

PRINCIPAL ACCOUNTING POLICIES

General information
Hawkwing PLC (the "Company") is incorporated and domiciled in the United Kingdom under the Companies Act. The Company is a public limited company and the registered office address is: The Walbrook Building, 25 Walbrook, London, England, EC4N 8AF. The Company's principal activity is set out as part of the Strategic Report.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in the financial statements. Judgements made by the Directors in the application of these accounting policies that have a significant effect on the financial statements together with estimates with significant risk of material adjustment in the next year are discussed in note 15.

Basis of preparation
The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretation Committee (IFRS IC) interpretations as adopted by the European Union and with the Companies Act 2006 applicable to companies reporting under IFRS.

The financial statements have been prepared under the historical cost convention.

Functional, presentational and foreign currency translation
The functional currency of the Company is Sterling and the presentational currency of the Company is US Dollars. Transactions in currencies other than the Company's functional currency 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 currencies other than the Company's functional currency at the balance sheet date are reported at the rates of exchange prevailing at that date or, if appropriate, at the forward contract rate.

Foreign exchange translation differences arising from translation of functional to presentational currency are recognised in after comprehensive income.

Standards and interpretations not yet applied
The following relevant new standards, amendments to standards and interpretations have been issued, but are not effective for the financial year beginning on 1 January 2019, as adopted by the European Union, and have not been early adopted:

Amendments to References to the Conceptual Framework in IFRS Standards (effective 1 January 2020)
Amendment to IFRS 3 Business Combinations (effective 1 January 2020)
Amendments to IAS 1 and IAS 8: Definition of Material (effective 1 January 2020)
IFRS 17 Insurance Contracts (effective 1 January 2021)

Application of new standards in issue
For the preparation of these financial statements, the following new or amended standards have been adopted for the financial year beginning 1 January 2019:

IFRS 16 Leases (effective 1 January 2019)
IFRIC 23 Uncertainty over Income Tax Treatments (effective 1 January 2019)
Annual Improvements to IFRS Standards 2015-2017 Cycle (effective 1 January 2019)
Amendments to IFRS 9: Prepayment Features with Negative Compensation (effective 1 January 2019)
Amendments to IAS 28: Long-term Interests in Associates and Joint Ventures (effective 1 January 2019)
Amendments to IAS 19: Plan Amendment, Curtailment or Settlement (effective 1 January 2019)

The adoption and implementation of these new or amended standards have had no impact on the Company's financial statements.

PRINCIPAL ACCOUNTING POLICIES (continued)

Initial application of IFRS 16 'Leases' (IFRS 16) – effective 1 January 2019
IFRS 16 replaces IAS 17 and its interpretations, and the biggest change introduced is that almost all leases will be brought onto lessees' balance sheets under a single model (except leases of less than 12 months and leases of low-value assets), eliminating the distinction between operating and finance leases. Lessor accounting, however, remains largely unchanged and the distinction between operating and finance leases is retained.

The implementation of IFRS 16 gives rise to no quantitative impact on the amounts recognised in the financial statements on the grounds that the company held no leases of more than 12 months, and consequently no IFRS 16 transition note has been presented in these financial statements.

Going concern
The Company's group sold its US businesses on 28 December 2018 and the Australian business was sold on 5 September 2019. The Company also disposed of its UK subsidiary investment in December 2019, the activities of which had already been discontinued. Consequently, the Company became an AIM Cash Shell under AIM Rule 15. The board intends to seek a business that can be reversed into. The Company has 18 months from the date of the sale of the Australian business to complete a reverse takeover, during which period the board intends to keep costs to a minimum in order to preserve cash. If it is not possible to complete a reverse takeover or should additional funds not be obtained to sustain the company during the foreseeable future, the going concern position of the Company would be at risk.

COVID-19 may impact the Company's ability to complete an acquisition. The Directors will continue, on an on-going basis, to review the Company's options including raising additional funding.

The requirement for the Company to obtain additional funding and to complete a reverse takeover gives rise to a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern. The Directors believe that the actions required to maintain the going concern position of the company will be achieved and therefore the Directors have a reasonable expectation that the Company will continue in operational existence for the foreseeable future. As a result, the Board continues to adopt the going concern basis of accounting in preparing the financial statements.

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

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

Basis of non-consolidation
The Company had disposed of all subsidiary undertakings at 31 December 2019, and consequently there is no requirement to prepare consolidated financial statements. These financial statements therefore present the financial position and financial performance of the Company as a single entity.

PRINCIPAL ACCOUNTING POLICIES (continued)

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 Company'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 Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

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

Leases under IFRS 16
On commencement of a contract (or part of a contract) which gives the Company the right to use an asset for a period of time in exchange for consideration, the Company recognises a right-of-use asset and a lease liability unless the lease qualifies as a 'short-term' lease or a 'low-value' lease.

All of the Company's current lease arrangements are for terms of twelve months or less which do not contain an option to purchase the leased asset, and consequently all lease payments are recognised as an expense on a straight-line basis over the lease term.

Leases under IAS 17
The following accounting policies were applied to leases in the year ended 31 December 2018:

Rentals payable under operating leases were expensed on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease (such as up-front cash payments and reimbursement of relocation costs or the cost of lease improvements) were also spread on a straight-line basis over the lease term.

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)

Investments
A subsidiary is an entity controlled by the Company, i.e. the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its current ability to direct the entity's relevant activities (power over the investee).

The existence and effect of potential voting rights that the Company has the practical ability to exercise (i.e. substantive rights) are considered when assessing whether the Company controls another entity.

Financial assets
Financial assets are recognised when the company becomes party to the contractual provisions of the instrument.

Financial Instruments
Financial assets and liabilities are recognised in the statement of financial position when the Company has become party to the contractual provisions of the instrument.

Trade and other receivables
Trade receivables are initially measured at their transaction price. Other receivables are initially measured at fair value plus transaction costs. Receivables are held to collect the contractual cash flows which are solely payments of principal and interest. Therefore, these receivables are subsequently measured at amortised cost using the effective interest rate method.

Impairment of financial assets
An impairment loss is recognised for the expected credit losses on financial assets when there is an increased probability that the counterparty will be unable to settle an instrument's contractual cash flows on the contractual due dates, a reduction in the amounts expected to be recovered, or both.

The probability of default and expected amounts recoverable are assessed using reasonable and supportable past and forward-looking information that is available without undue cost or effort. The expected credit loss is a probability-weighted amount determined from a range of outcomes and takes into account the time value of money.

Impairment of non-financial assets
Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

Financial liabilities and equity
Financial liabilities are recognised when the company becomes party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

PRINCIPAL ACCOUNTING POLICIES (continued)

Trade and other payables
Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less.

Trade and other payables are initially measured at fair value, net of direct transaction costs and subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Derecognition of financial assets (including write-offs) and financial liabilities
A financial asset (or part thereof) is derecognised when the contractual rights to cash flows expire or are settled, or when the contractual rights to receive the cash flows of the financial asset and substantially all the risks and rewards of ownership are transferred to another party.

When there is no reasonable expectation of recovering a financial asset, it is derecognised ('written off'). The gain or loss on derecognition of financial assets measured at amortised cost is recognised in profit or loss.

A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires. Any difference between the carrying amount of a financial liability (or part thereof) that is derecognised and the consideration paid is recognised in profit or loss.

Non-GAAP measures
In reporting financial information, the Company presents alternative performance measures, "APMs", which are not defined or specified under the requirements of IFRS.

The Company believes that their APM of Headline EBITDA provides shareholders with useful information about the Company's performance. This measure is consistent with how the business is monitored and reported internally to management and the Board.

The Company makes adjustments to the statutory profit measure in order to arrive at Headline EBITDA. The Company's policy is to exclude items that are considered to be significant in both nature and quantum and where treatment as an adjusted item provides stakeholders with additional useful information to assess the trading performance of the Company. On this basis, the following items were included as adjusting items to arrive at Headline EBITDA for the years ended 31 December 2019 and 31 December 2018:

- loan refinancing costs of the former group
- legal and professional costs and staff bonus payments on sale of subsidiaries
- reversal of group loan impairments
- impairment of group and other loans
- impairment of investment in subsidiaries

The reconciliation between operating profit from continuing operations and Headline EBITDA is shown on the face of the Income Statement.

NOTES TO THE FINANCIAL STATEMENTS

1. Segmental analysis

The Company's single reportable segment is that of its activities as an investment holding company. This activity takes place wholly in the United Kingdom.

2. Loss per share attributable to ordinary shareholders

	2019 dollars per share	2018 dollars per share
Basic loss per share	(0.003)	(0.298)
Diluted loss per share	(0.003)	(0.298)

The loss attributable to ordinary shareholders and weighted average number of ordinary shares for calculating diluted earnings per ordinary share are identical to those used for basic loss per ordinary share as at 31 December 2018 and 31 December 2019. All share options formerly in issue had expired.

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

	2019 $000	2018 $000
Loss for the purposes of basic earnings per share being net loss attributable to owners of the Company	(442)	(42,776)
Number of Shares		
Weighted average number of shares in issue:	**143,427,199**	**143,427,199**

There were no shares with a dilutive, or potentially dilutive, impact (2018: nil).

3. Operating loss

The following are included in operating loss for the year:

	2019 $000	2018 $000
Exceptional (income)/costs (see analysis below)	(480)	43,102
Staff costs	532	1,334
Auditor's remuneration (see note 4)	55	133
Lease payments	4	76
Foreign exchange losses/(gains)	31	(32)

NOTES TO THE FINANCIAL STATEMENTS

3. Loss before taxation (continued)

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

	2019 $000	2018 $000
Loan arrangement costs*	44	-
Legal and professional costs **	233	278
Exceptional staff costs ***	273	-
Impairment of loans in other ventures	-	402
Impairment of investments	-	22,321
(Reversal of impairment)/Impairment on intercompany loans ****	(1,030)	20,101
Exceptional (income)/ costs as above	**(480)**	**43,102**

* The arrangement costs represent fees paid by the Company in respect of the borrowing arrangements of its former subsidiary undertakings.

** Legal and professional costs in 2019 were incurred in relation to the disposal of the Company's subsidiary undertakings (see note 8 for further details). In 2018 the legal and professional costs related to advice on the sale of the US business.

*** Exceptional staff costs relate to the advance payment of an employment contract notice period. This amount is included within the staff costs figure of $532k disclosed above.

**** The (impairment reversal)/impairment on intercompany loans relates to amounts owed by former subsidiary undertakings written off prior to disposal.

4. Auditor's remuneration

The analysis of the auditor's remuneration is as follows:	2019 $000	2018 $000
Fees payable to the Company's auditor for the audit of the Company's annual accounts	38	113
Other non-audit services	17	20
Total fees	**55**	**133**

5. Transactions with key management personnel

Key management of the Company is considered to be the Board of Directors and the former Chief Operating Officer (now a non-executive director), the remuneration of whom is set out as follows:

	2019 $000	2018 $000
Wages and salaries and/or fees	470	720
Social security costs	62	50
Other staff costs	-	58
Total Remuneration	**532**	**828**

Further information is given in the Directors' remuneration report.

NOTES TO THE FINANCIAL STATEMENTS

6. Staff Costs

The average monthly number of employees (including Directors) was:

	2019 Number	2018 Number
Directors	3	3
Administrative and other staff	1	4
	4	**7**

Their aggregate remuneration comprised:

	2019 $000	2018 $000
Wages and salaries	470	1,189
Social security costs	62	87
Other staff costs	-	58
	532	**1,334**

7. Tax

	2019 $000	2018 $000
Current taxation		
UK corporation tax	-	2
Adjustments in respect of prior year	(2)	-
Tax charge for the year	**(2)**	**2**

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

	2019 $000	2018 $000
Loss before tax	**(444)**	**(42,774)**
Tax credit at the UK corporation tax rate of 19% (2018: 19%)	(84)	(8,127)
Effects of:		
Expenses not deductible for tax purposes	53	8,115
Non-taxable income	(204)	-
Losses not recognised in deferred tax	235	14
Adjustment in respect of prior years	(2)	-
Tax (credit) / charge for the year	**(2)**	**2**

The Company has tax losses carried forward of $272,417 (2018: $33,131) in respect of which no deferred tax asset has been recognised due to uncertainty of the Company's expected future profitability.

NOTES TO THE FINANCIAL STATEMENTS

8. Investments

	Investments in subsidiaries $000
Cost	
At 1 January 2018	**22,978**
Exchange differences	(657)
At 31 December 2018	**22,321**
Disposal	(22,321)
At 31 December 2019	**-**
Impairment	
At 1 January 2018	**-**
Impairment	(22,321)
At 31 December 2018	**(22,321)**
Disposal	22,321
At 31 December 2019	**-**
Carrying amount	
At 31 December 2018	**-**
At 31 December 2019	**-**

The impairment recognised at 31 December 2018 reflected the directors' assessment that the carrying value of the investment in subsidiaries was not recoverable.

During the year the Company disposed of its investment in TLA Acquisitions Limited and its subsidiary undertakings. The Australian business was sold for $19.5m (AUD $21.5m) which, after repayment of the group's former bank debt, resulted in cash proceeds for the Company in settlement of group balances which were fully impaired in 2018. Details of the resulting impairment reversals treated as exceptional items are set out in note 3.

The former subsidiary undertakings are as listed below.

	Class of share	Owned direct	Owned indirect	Nature of Business
TLA Acquisitions Limited [1]	Ordinary	100%	-	intermediate holding company
TLA-ESP Limited [1]	Ordinary	-	100%	undertakes the business of Athlete Management and sports marketing
TLA Merchandise Pty Ltd (formerly Elite Sports Properties Merchandise) [2]	Ordinary	-	100%	undertakes the business of merchandising
TLA Worldwide (Aust) Pty Ltd (formerly TLA-ESP Pty Ltd) [2]	Ordinary	-	100%	undertakes the business of Athlete Management and sports marketing
TLA Acquisitions (number two) Limited[1]	Ordinary	-	100%	intermediate holding company

The registered addresses of the former subsidiaries were as follows:

1. 2-6 Boundary Row, London SE1 8HP
2. Level 4, 109-133 Burwood Road, Hawthorn, VIC 3122

9. Trade and other receivables

	2019 $000	2018 $000
Other receivables	14	54
Prepayments	70	180
	84	**234**

10. Trade and other payables

	2019 $000	2018 $000
Trade payables	58	206
Corporation tax payable	-	2
Other payables	1	89
Accruals	66	127
	125	**424**

Amounts payable to providers of services and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The creditor terms are for payment to be made between 30 and 60 days (2018: 30 to 60 days). The creditor days at the year-end were 48 days (2018: 58 days). The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

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

11. Share capital

The issued share capital of the Company is as follows:

	Nominal Value £	Nominal Value $	Number
Balance at 31 December 2018 and 2019	**2,868,544**	**4,473,658**	**143,427,199**

There were no share issues during the current or prior year.

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

12. Equity

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

The Merger Reserve arose from a business combination in a previous period where the nominal value of shares issued differed from the fair value of assets transferred.

NOTES TO THE FINANCIAL STATEMENTS

13. Notes of Cash Flow Statement

	2019 $000	2018 $000
Loss for the year	(442)	(42,776)
Adjustments for:		
Income tax (credit)/expense	(2)	2
Amounts written off investments	-	22,321
Impairment of group and other loans		20,503
Operating cash flows before movements in working capital	**(444)**	**50**
Decrease in receivables	154	1,309
Decrease in payables	(297)	(773)
Cash (used in) / generated by operations	**(587)**	**586**
Income taxes	-	-
Net cash flows from operating activities	**(587)**	**586**

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

The Company's net cash has moved as follows during the year:

	1 January 2019 $000	Cash flow $000	Non-cash Movements $000	31 December 2019 $000
Cash and bank balances	814	(587)	-	227
Net cash	**814**	**(587)**	**-**	**227**

14. Capital commitments

The Company had no commitments to purchase property, plant and equipment (2018: none).

15. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The 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.

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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

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

Impairment of investments and loans to subsidiaries (2018)
Impairment losses of $22,321,242 and $20,101,458 were recognised during the previous period in respect of investments and loans to subsidiaries respectively as a result of the group's circumstances at 31 December 2018 which indicated that the carrying amount of these items was not recoverable. In assessing the impairment, the directors considered the discontinued activities of subsidiary undertakings and also the disposal, and expected disposal, of group companies. During 2019 the subsidiary undertakings were disposed and all amounts provided in respect of investments and loans were realised in full.

The directors do not consider there to have been any significant judgements nor key sources of estimation uncertainty that affect the financial statements at 31 December 2019.

16. Financial risk management objectives

Capital risk management
The Company manages its capital to ensure that it will be able to continue as going concern while maximising the return to shareholders.

The Company has become an AIM Cost Shell under AIM Rule 15 with a view to completing a reverse takeover by September 2020.

The capital structure of the Group at 31 December 2019 consists of net funds, which includes only the cash and cash equivalents disclosed in note 13, and equity attributable to equity holders of the Company, comprising issued capital, reserves and retained earnings as disclosed in the statement of changes in equity.

The Company has no debt at 31 December 2019 (2018 : $nil).

Equity includes all capital and reserves of the Company that are managed as capital.

Categories of financial instruments
Financial liabilities and assets included in the balance sheet are as follows:

	2019 $000	2018 $000
Financial assets measured at amortised cost		
Other receivables	14	54
Cash and bank balances	227	814
	241	**868**
Financial liabilities measured at amortised cost		
Trade payables	58	206
Accruals	66	127
Other payables	-	89
	124	**422**

All of the financial assets and liabilities are held at amortised cost. The Directors are of the opinion that there is no material difference between the book value and the fair value of any of these assets or liabilities.

The exposure of risk to the Company's objectives, policies and processes for managing the risk and the methods used to measure the risk are set out below.

16. Financial risk management objectives (continued)

Interest rate risk
The Company currently has no external borrowings, and consequently there is no exposure to interest rate risk.

Credit risk
The Company has no trade receivable balances and only minor other receivables and thus there is no significant current risk of non-payment.

Liquidity risk
The Company is currently being maintained as an AIM Cash Shell under AIM Rule 15 and the board intends to complete a reverse takeover within 18 months from the date of the sale of the Australian businesses in September 2019, during which period the board will keep costs to a minimum in order to preserve cash.

Currency risk
The Company's only current exposure to currency risk is with regard to amounts held in foreign currency bank accounts. The non-sterling cash balances at 31 December 2019 were US$12,064 (2018: US$798,449).

17. Related parties

During 2017 the Company repurchased shares in the subsidiary undertaking, TLA Acquisitions Limited, from the International Sports Pty Ltd, a company controlled by directors/former directors Bart Campbell, Michael Principe and Dwight Mighty as legally required under the Group's LTIP scheme which expired in 2017, for consideration of $78,777, $78,777 and $39,389 respectively for a total of 14,597,821 LTIP shares. The consideration for the shares repurchased was paid to Bart Campbell and Dwight Mighty in 2018, whilst the payment to Michael Principe was made in 2019.

In December 2019, the Company's 100% share ownership of the subsidiary, TLA Acquisitions Limited, was transferred to the director, Dwight Mighty. TLA Acquisitions Limited was, at that time, a dormant company with a cash balance of £350 and no other assets or liabilities. Consideration for the transfer to Dwight Mighty was £1.

18. Dividends

During the year the Company did not pay or approve a dividend (2018: no dividend). The Company has no distributable reserves to allow declaration of a dividend.

19. Post balance sheet events

AIM has extended the period between suspension and the cancellation of a company's shares to twelve months for all companies suspended between 30 September 2019 and 1 July 2020, as a result of COVID-19. Therefore, the Company has until 6 March 2021 to make an acquisition. COVID-19 may impact the Company's ability to execute an acquisition during this period. However, the Directors will review, on an going basis, the options for the Company, including raising additional funds; the impact of a delisting given the Company would have to seek a re-admission to AIM if it was delisted or not; and removing its suspension by moving the Company's listing.

Shareholder information

Annual General Meeting: 29 June 2020

Website: www.hawkwing.co

Advisers

Auditor
RSM UK Audit LLP, Chartered Accountants,
25 Farringdon Street, London, EC4A 4AB

Nominated Advisor and Broker
Beaumont Cornish Limited
30 Crown Place, London, EC2A 4EB

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

Lawyers – UK
DAC Beachcroft
The Walbrook Building, 25 Walbrook, London,
EC4N 8AF

Registered office
The Walbrook Building, 25 Walbrook, London,
EC4N 8AF

Registered number: 07741649
Country of incorporation: England

Banker – UK
HSBC BANK PLC
North London Corporate Banking Centre
2nd Floor, 1 Old Street, London EC1V 9HL