Registration number: 03934419

Electric Word Limited

Annual Report and Financial Statements

for the Year Ended 30 November 2017

Electric Word Limited

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Electric Word Limited

Company Information

Directors	Mr Riccardo Silva
	Mr Marco Auletta
	Mrs Janet Treacy Pierce
Company secretary	Mrs Janet Treacy Pierce
Registered office	Park House 116 Park Street London W1K 6AF
Auditors	The Gallagher Partnership LLP 2nd Floor Titchfield House 69-85 Tabernacle Street London EC2A 4RR

Electric Word Limited

Strategic Report for the Year Ended 30 November 2017

The directors present their strategic report for the year ended 30 November 2017.

The purpose of the strategic report is to inform shareholders and help them to assess how the directors have performed their duties to promote the success of the Company. The strategic report, together with the further information in the Directors' Report, provides:

- A fair and balanced review of the Company's business including:
i) The development and performance of the business during the year
ii) The position of the Company at the end of the year

- A description of the principal risks and uncertainties facing the Company.

Fair review of the business
Summary of business activity

Electric Word Limited is a holding company whose principal activity is owning the group. Its principal subsidiary's activity is to provide business insight, data and analysis to executives in the global business of sport.

Key performance indicators (KPIs)

The Company monitors the business performance through a number of key performance indicators including turnover growth and EBITDA, as set out in the audited financial statements, summarised as follows:

The company's key financial and other performance indicators during the year were as follows:

	Unit	2017	2016
Turnover	£m	18.1	1.6
EBITDA	£m	16.7	(7.4)
Shareholders' funds	£m	2.8	(6.3)

A key performance driver of the Company's financial performance is its turnover growth and EBITDA. The turnover was c. £18 million, of which c. £17.5 million is derived from a dividend received from SBG Companies Limited. The remaining turnover is derived from intercompany recharges for overheads to SBG Companies Limited. The EBITDA was c. £16.8 million*.

Given the straight forward nature of the business, the directors believe further analysis using non-financial KPIs is not necessary for the understanding of the development, performance or position of the business.

*Excluding exceptional charges

Electric Word Limited

Strategic Report for the Year Ended 30 November 2017

Development and financial performance during the year

The Company was taken private on the 4th August 2017 by Sport Business Acquisitions Ltd, which is now the parent company of the Company. This makes a meaningful year-on-year performance comparison to previous results not possible, as the financial statements have been impacted by several accounting adjustments and transformational changes to the business.

Overall, the results for the year and the financial position at the year-end were considered satisfactory by the directors.

The financial position of the company at the year end

Due to the share capital reduction undertaken for EW, after the public-to-private transaction, the reserves in the company are now at a positive balance of £2.7 million and shareholders' funds of £2.8 million. The Company has no bank borrowings at the reporting date and most of the payables are due to other group entities.

Future developments

The directors are confident that the operating subsidiaries of the Company will continue their growth and investments are being made to make sure that this is the case.

Principal risks and uncertainties

Management continually monitors the key risks facing the Company together with assessing the controls used for managing these risks. The board of directors formally reviews and documents the principal risks facing the business at least annually.

The principal risks and uncertainties facing the Company are as follows:

Business risk:

Business risks relate to the principal subsidiaries being able to generate income and control costs on an on-going basis in-line with business plans. This could be negatively affected by external economic pressure, competitor threat, reduction in demand for the products of the Company's subsidiaries, and cyclical/seasonal demand.

Reputational risk:

Reputational risk relates to damage to the Company and its principal subsidiaries through loss of its reputation or standing, which could in turn impact income receivable by the Company. This could include a variety of factors such as regulatory and compliance failures, failure to properly oversee its employees and failure to provide appropriate risk oversight over the funds.

Operational risk:

Operational risk relates to risks to the Company and its principal subsidiaries when running the businesses. This would include the risk for failure or interruptions to its IT and information systems and the risk of losing key employees.

Electric Word Limited

Strategic Report for the Year Ended 30 November 2017

Liquidity risk:
Liquidity risk relates to the amount of assets the Company holds in highly liquid, marketable forms that are available should unexpected cash flows lead to a liquidity problem.

Brexit:
In light of the referendum vote for the UK to leave the EU, management are aware of, and continue to consider the potential impact of Brexit being triggered on both its own activities and behaviours, and that of its client base.

Areas under consideration include potential political, regulatory, and exchange rate uncertainty which could impact the Company's business activity.

Approved by the Board on 30 August 2018 and signed on its behalf by:

....
Mrs Janet Treacy Pierce
Company secretary and director

Electric Word Limited

Directors' Report for the Year Ended 30 November 2017

The directors present their report and the financial statements for the year ended 30 November 2017.

Directors' of the company

The directors, who held office during the year, were as follows:

Mr Riccardo Silva (appointed 4 August 2017)

Mr William Edward Fawbert (resigned 4 August 2017)

Mr Marco Auletta (appointed 4 August 2017)

Mrs Janet Treacy Pierce - Company secretary and director (appointed 4 August 2017)

Julian James Christian Turner (resigned 4 August 2017)

Andrew Stephen Brode (resigned 4 August 2017)

Henrietta Elizabeth Marsh (resigned 4 August 2017)

Financial instruments

Objectives and policies

Management reviews the financial risks facing the Company on an ongoing basis.

Price risk, credit risk, liquidity risk and cash flow risk

Liquidity risk:
Cash balances are placed so as to maximise interest earned while maintaining the liquidity requirements of the business. The Directors review the placing of cash balances on an ongoing basis. Surplus cash balances arising from the disposals during the year are credited to Natwest Instant Access, Special Interest Bearing account. The financial assets of the Company are mainly designated in sterling and earned a floating rate bank interest.

Credit risk:
The Company's principal financial assets are cash and cash equivalents, trade and other receivables and accrued income which represent the Company's maximum exposure to credit risk in relation to financial assets.

The Company's credit risk primarily relates to trade and other receivables and accrued income. The amounts presented in the balance sheet are net of allowances for doubtful receivables, as estimated by the Company's management.

Foreign exchange risk:
The Company operates principally in the United Kingdom and as such the majority of the Company's financial assets and liabilities are denominated in sterling and there is no material exposure to exchange risks.

Future developments

Details of future developments can be found in the Strategic Report.

Electric Word Limited

Directors' Report for the Year Ended 30 November 2017

Going concern

The company made a profit for the year of £18,845,459 (2016: £7,466,081 loss) and at 30 November 2017 had net assets of £2,804,776 (2016: £6,284,252 deficit). It is expected that the Company will continue to meet its liabilities as they fall due for the forseeable future. In the event of the Company being unable to meet its liabilities, the Directors have the scope to take actions and seek support from the underlying shareholder of the Group.

Dividends

During the year, the Directors declared a dividend of £1.007 payable on each of the 10,000,000 £0.01 Ordinary shares for a total of £10,070,000.

Directors' interests in shares

Description	At start of year £	Bought £	Sold £	At end of year £
Andrew Stephen Brode	72,000	27,483	(99,483)	-
Julian James Christian Turner	126,503	123,197	(249,700)	-
Mr William Edward Fawbert	-	46,510	(46,510)	-
	198,503	197,190	(395,693)	-

Change of Company registration

On 27th September 2017, the company re-registered as a Private Limited Company from its previous status as a Public Limited Company. It has therefore not been necessary to comply with the additional disclosures that are required of listed entities in the annual report.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Approved by the Board on 30 August 2018 and signed on its behalf by:

....

Mrs Janet Treacy Pierce

Company ~~secretary~~ and director

Electric Word Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). 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 these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether FRS 101 has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Electric Word Limited

Independent Auditor's Report to the Members of Electric Word Limited

Opinion

We have audited the financial statements of Electric Word Limited (the 'Company') for the year ended 30 November 2017, which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, 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 United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework'.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 November 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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, 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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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.

Electric Word Limited

Independent Auditor's Report to the Members of Electric Word Limited

Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and 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 our 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 and the Directors' Report.

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

- adequate accounting records have not been kept, 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 Statement of Directors' Responsibilities [set out on page 7], 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

Gallagher

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Robert Blundell BSc FCA (Senior Statutory Auditor)
For and on behalf of The Gallagher Partnership LLP, Statutory Auditor

2nd Floor
Titchfield House
69-85 Tabernacle Street
London
EC2A 4RR

30 August 2018

Electric Word Limited

Profit and Loss Account for the Year Ended 30 November 2017

	Note	2017 £	2016 £
Turnover	4	18,052,151	1,620,214
Administrative expenses		784,717	(9,108,276)
Operating profit/(loss)	5	18,836,868	(7,488,062)
Other interest receivable and similar income	6	10,858	33,625
Interest payable and similar charges	7	(2,267)	(11,644)
		8,591	21,981
Profit/(loss) before tax		18,845,459	(7,466,081)
Profit/(loss) for the year		18,845,459	(7,466,081)

The above results were derived from continuing operations.

Electric Word Limited

Statement of Comprehensive Income for the Year Ended 30 November 2017

	2017 £	2016 £
Profit/(loss) for the year	18,845,459	(7,466,081)
Total comprehensive income for the year	18,845,459	(7,466,081)

The notes on pages 15 to 35 form an integral part of these financial statements.

Electric Word Limited

(Registration number: 03934419)
Balance Sheet as at 30 November 2017

	Note	30 November 2017 £	30 November 2016 £
Fixed assets			
Intangible assets	12	3,823	46,842
Tangible assets	13	1,842	7,499
Investments	14	2,988,272	2,988,272
		2,993,937	3,042,613
Current assets			
Debtors	15	74,623	537,353
Cash at bank and in hand	16	806,096	12,943,332
		880,719	13,480,685
Creditors: Amounts falling due within one year			
Trade and other payables	17	(1,069,880)	(22,747,549)
Net current liabilities		(189,161)	(9,266,864)
Total assets less current liabilities		2,804,776	(6,224,251)
Provisions for liabilities	18, 11	-	(60,000)
Net assets/(liabilities)		2,804,776	(6,284,251)
Capital and reserves			
Called up share capital	19	100,000	4,087,259
Share premium reserve		-	7,532,371
Profit and loss account		2,704,776	(17,903,881)
Shareholders' funds/(deficit)		2,804,776	(6,284,251)

Approved by the Board on 30 August 2018 and signed on its behalf by:

....
Mrs Janet Treacy Pierce
Company secretary and director

The notes on pages 15 to 35 form an integral part of these financial statements.

Electric Word Limited

Statement of Changes in Equity for the Year Ended 30 November 2017

	Share capital £	Share premium £	Retained earnings £	Total £
At 1 December 2016	4,087,259	7,532,371	(17,903,881)	(6,284,251)
Profit for the year	-	-	18,845,459	18,845,459
Total comprehensive income	-	-	18,845,459	18,845,459
Dividends	-	-	(10,070,000)	(10,070,000)
New share capital subscribed	211,353	102,215	-	313,568
Share capital reduction - share capital	(4,198,612)	-	4,198,612	-
Share capital reduction - share premium	-	(7,634,586)	7,634,586	-
At 30 November 2017	100,000	-	2,704,776	2,804,776

	Share capital £	Share premium £	Retained earnings £	Total £
At 1 December 2015	4,075,909	7,532,371	(10,455,143)	1,153,137
Loss for the year	-	-	(7,466,081)	(7,466,081)
Total comprehensive income	-	-	(7,466,081)	(7,466,081)
New share capital subscribed	11,350	-	-	11,350
Share based payment transactions	-	-	17,343	17,343
At 30 November 2016	4,087,259	7,532,371	(17,903,881)	(6,284,251)

The notes on pages 15 to 35 form an integral part of these financial statements.

1 General information

The company is a private company limited by share capital, incorporated in England and Wales and domiciled in England.

The address of its registered office is:
Park House
116 Park Street
London
W1K 6AF

The principal place of business is:
5th Floor
New Penderel House
283-288 High Holburn
London
WC1V 7HP
England

These financial statements were authorised for issue by the Board on 30 August 2018.

2 Accounting policies

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard FRS 101 Reduced Disclosure Framework (FRS 101). The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 and effective immediately have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU (Adopted IFRSs), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemption has been taken.

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

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework.

The functional and presentational currency of the Company is UK Pound Sterling.

The principal activity of the Company is that of a holding Company for a specialist information group supporting commercial decision-making through a combination of digital, print and in-person formats.

Summary of disclosure exemptions

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A cash flow statement and related notes
- Comparative period reconciliations for share capital, tangible fixed assets and intangible assets
- The effects of new but not yet effective IFRSs
- Disclosures in respect of the compensation of Key Management Personnel
- Disclosures in respect of capital management
- Disclosure of transactions within the management entity that provides key management personnel services to the company.
- Paragraph 16 of IAS 1 (statement of compliance with all IFRS)

Exemption from preparing group accounts

The financial statements contain information about Electric Word Limited as an individual company and do not contain consolidated financial information as the parent of a group.

The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Sport Business Acquisitions Limited, a company incorporated in England and Wales.

Changes in accounting policy

None of the standards, interpretations and amendments effective for the first time from 1 December 2016 have had a material effect on the financial statements.

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the provision of management services services to subsidiary companies. Revenue is the amount derived from ordinary activities and is shown net of sales/value added tax.

The company recognises revenue derived from management services when the services are delivered.

Foreign currency transactions and balances

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into the functional currency at the rates of exchange ruling at that date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences on translation are recorded in the Profit and Loss account, The functional currency of the company is pounds sterling (GBP).

Tax

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

The tax currently payable is based on the 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.

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

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 based on the rates enacted and substantially enacted at the balance sheet date. 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.

Tangible assets
Property, plant and equipment is stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

On disposal of an asset, the difference between the proceeds and residual net book value at that time is taken to the income statement as a gain or loss on disposal.

The cost of property, plant and equipment includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation
The assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable or as otherwise required by accounting standards. Impairment losses are recognised in the income statement,

Asset class	**Depreciation method and rate**
Fixtures, fittings and equipment	30% reducing balance
Computer equipment	50% straight line
Leasehold property improvements	over the term of the lease

Intangible assets

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date.

Goodwill is not subject to amortisation but is tested for impairment.

Negative goodwill arising on an acquisition is recognised directly in the income statement. On disposal of a subsidiary or a jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss recognised in the income statement on disposal.

Intangible assets mainly comprise websites, which are initially stated at cost. For business combinations, fair value is calculated based on the Group's valuation methodology, using discounted cash flows. These assets are amortised on a straight line basis over their estimated useful lives.

Software which is not integral to a related item of hardware and website design is also recognised as an intangible asset. Capitalised internal-use software and website design costs include external direct costs of materials and services consumed in the development or purchase, use of dedicated contractors, and payroll and related costs for employees who are directly associated with or who devote substantial time to the project. Capitalisation of these costs ceases when the project is substantially complete and read for its internal purpose. These costs are amortised over their expected useful life deemed to be 2 to 4 years.

The expected useful lives of intangible assets are reviewed annually. All amortisation charges are taken to amortisation expense and all impairment charges are taken to impairment expense on the face of the income statement.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Amortisation method and rate
Computer software	33% straight line
Website	25% straight line

Investments

Investments in subsidiaries are held at cost less accumulated impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call 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.

Trade debtors

Trade receivables are amounts due from the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors

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. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Impairment of non-financial assets

The company reviews the carrying amounts of their assets for potential impairment on at least an annual basis. If management believe their value to be impaired, the value is written down and a loss taken to the income statement.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the company's financial statements in the period in which the dividends are approved by the company's shareholders.

Defined contribution pension obligation

The assets of the pension scheme are held separately from the company. The pension charge associated with the scheme represents contributions payable.

Share based payments

The company operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (options) of the entity. The fair value of the employee services received is measured by reference to the estimated fair value at the grant date of equity instruments granted and is recognised as an expense over the vesting period. The estimated fair value of the option granted is calculated using either the Black Scholes or Monte Carlo option pricing models. The total amount expensed is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

Financial assets and liabilities

Classification

Financial assets are recognised on the Balance Sheet when the company becomes party to the contractual provisions of the instrument. Financial assets are classified by management upon initial recognition dependent upon the purpose for which they were acquired between: loans and receivables, financial assets at fair value through profit or loss, held to maturity investments and available-for-sale investments.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Recognition and measurement

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

3 Critical accounting judgements and key sources of estimation uncertainty

Within the company financial statements there are a number of areas where management has to include their best estimate of likely outcomes based on their first-hand knowledge of the markets and situation. The preparation of the financial statements will require management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates, which are based on management's considered opinion of what has been bought and what value it is going to have in the future.

Valuation and asset lives of intangible assets

Valuation methodologies include the use of discounted cash flows, revenue and profit multiples, whilst asset lives are estimated on the type of asset acquired or generated and range between three and ten years.

Impairment of assets
Assets are subject to at least an annual impairment review and testing, and the running of these tests and the numbers that form part of them will be based as far as possible on actual known results but will by nature include predictions of future outcomes. The asset carrying values are compared to the estimates of the assets' value in use. The value in use is calculated by looking at the cash generating units underlying the assets and management estimating the future cash flows after applying a suitable discount factor. The estimates of future cash flows are based on detailed forecasts produced by management.

Provisioning
Both trade receivables for bad debts and inventories for returns and obsolescence are reviewed for potential write down. The provisions created to cover these areas are based on managements' experience and considered opinion of the assets' current value.

Deferred tax
Both assets and liabilities require judgement in determining the amounts to be recognised, in particular the extent to which assets should be recognised in consideration of the timing and level of future taxable income.

Contingent liabilities
Liabilities are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Valuation of share based payments
Which are calculated from modelling including estimates of non-transferability, exercise restrictions and behavioural considerations, including such factors as the volatility of the Company's share price.

4 Turnover

The analysis of the company's turnover for the year from continuing operations is as follows:

	2017 £	2016 £
Rendering of services	552,151	1,620,214
Dividends received	17,500,000	-
	18,052,151	1,620,214

Analysis of revenue by Geography:

UK - 100%

5 Operating profit

Arrived at after charging/(crediting)

	2017 £	2016 £
Depreciation expense	6,235	10,201
Amortisation expense	26,596	21,176
Foreign exchange gains/(losses)	4,416	(33,819)
Loss on disposal of property, plant and equipment	27,368	779
Release of audit fee accrual	(50,000)	94,500

6 Other interest receivable and similar income

	2017 £	2016 £
Interest income on bank deposits	10,858	33,625

7 Interest payable and similar charges

	2017 £	2016 £
Interest on bank overdrafts and borrowings	2,267	11,644

8 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2017 £	2016 £
Wages and salaries	433,088	1,304,844
Social security costs	72,111	146,928
Other short-term employee benefits	379	3,337
Pension costs, defined contribution scheme	4,290	19,704
Redundancy costs	562	-
Share-based payment expenses	119,310	17,343
	629,740	1,492,156

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2017 No.	2016 No.
Production	14	34
Administration and support	13	27
Sales, marketing and distribution	12	33
	39	94

9 Directors' remuneration

The directors' remuneration for the year was as follows:

	2017 £	2016 £
Directors' remuneration	1,077,471	660,000
Directors' pension	5,035	6,000

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2017 No.	2016 No.
Received or were entitled to receive shares under long term incentive schemes	3	3
Exercised share options	3	-

In respect of the highest paid director:

	2017 £	2016 £
Remuneration	604,303	295,000
Company contributions to money purchase pension schemes	2,798	3,000

During the year the highest paid director exercised share options and also received or was entitled to receive shares under a long term incentive scheme.

As of 4 August when the business was acquired by Sport Business Acquisitions Limited, remuneration of the previous Directors from 4 August up to their termination date is included within exceptional costs rather than wages and salaries.

10 Auditors' remuneration

	2017 £	2016 £
Audit of the financial statements	7,500	-

11 Income tax

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2016 - the same as the standard rate of corporation tax in the UK) of 19.33% (2016 - 20%).

The differences are reconciled below:

	2017 £	2016 £
Profit/(loss) before tax	18,845,459	(7,466,081)
Corporation tax at standard rate	3,642,827	-
Increase (decrease) from effect of capital allowances depreciation	(10,817)	-
Increase (decrease) from effect of expenses not deductible in determining taxable profit (tax loss)	(2,099)	-
Increase (decrease) from effect dividends from UK companies	(3,382,750)	-
Increase (decrease) from effect of rollover relief on profit on disposal of fixed assets	5,290	-
Other tax effects for reconciliation between accounting profit and tax expense (income)	(659,235)	-
Total tax credit	(406,784)	-

The above adjustments resulted in a tax adjusted trading loss for the year ended 30 November 2017.

The company made a tax adjusted loss for the year, due to the dividend received from SBG Companies Limited being exempt from Corporation Tax and the tax adjustment of the intercompany loan write-offs included within exceptional charges. The company was not liable to Corporation Tax for the year.

12 Intangible assets

	Computer Software £	Other intangible assets £	Total £
Cost or valuation			
At 1 December 2016	8,552	105,929	114,481
Additions	10,944	-	10,944
Disposals	(1,352)	(105,929)	(107,281)
At 30 November 2017	18,144	-	18,144
Amortisation			
At 1 December 2016	2,339	65,300	67,639
Amortisation charge	13,334	13,262	26,596
Amortisation eliminated on disposals	(1,352)	(78,562)	(79,914)
At 30 November 2017	14,321	-	14,321
Carrying amount			
At 30 November 2017	3,823	-	3,823
At 30 November 2016	6,213	40,629	46,842

13 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Other property, plant and equipment £	Total £
Cost or valuation				
At 1 December 2016	82,436	6,725	23,583	112,744
Additions	-	-	579	579
Disposals	(82,436)	(6,725)	(6,667)	(95,828)
At 30 November 2017	-	-	17,495	17,495
Depreciation				
At 1 December 2016	82,436	6,413	16,396	105,245
Charge for the year	-	311	5,924	6,235
Eliminated on disposal	(82,436)	(6,724)	(6,667)	(95,827)
At 30 November 2017	-	-	15,653	15,653
Carrying amount				
At 30 November 2017	-	-	1,842	1,842
At 30 November 2016	-	312	7,187	7,499

14 Investments

Subsidiaries	**£**
Cost or valuation	
At 1 December 2015	2,988,272
At 30 November 2016	2,988,272
At 1 December 2016	2,988,272
At 30 November 2017	2,988,272
Provision	
Carrying amount	
At 30 November 2017	2,988,272
At 30 November 2016	2,988,272

Details of the subsidiaries as at 30 November 2017 are as follows:

Name of subsidiary	**Principal activity**	**Registered office**	**Holding**	**Proportion of ownership interest and voting rights held 2017**	**2016**
SM 2016 Ltd. *	Dormant	Park House, 116 Park Street, London, England, W1K 6AF England and Wales	Ordinary	100%	100%
SBG Companies Limited*	Providing business insight, data and analysis to executives in the global business of sport.	Park House, 116 Park Street, London, England, W1K 6AF England and Wales	Ordinary	100%	100%
Health Publishing 2015 Ltd*	Dormant	Park House, 116 Park Street, London, England, W1K 6AF England and Wales	Ordinary	100%	100%
P2P Publishing Limited*	The collection of royalty income from The School Run, a business formerly owned by the Company.	Park House, 116 Park Street, London, England, W1K 6AF England and Wales	Ordinary	100%	100%
Incentive Plus Ltd*	Dormant	Park House, 116 Park Street, London, England, W1K 6AF England and Wales	Ordinary	100%	100%

* indicates direct investment of Electric Word Limited.

Dividends received
The Company received a dividend of £17,500,000 from the subsidiary SBG Companies Ltd.

Composition of the company investments
Details of the composition of the company investments as at 30 November 2017 are as follows:

		Number of wholly-owned subsidiaries	
Principal activity	**Country of incorporation**	**2017**	**2016**
Electric Word Limited is the parent of the wholly owned subsidiaries listed above.	England and Wales	5	5
		5	5

15 Trade and other debtors

	30 November 2017 £	30 November 2016 £
Debtors from related parties	-	170,738
Accrued income	-	23,055
Prepayments	53,072	159,393
Other debtors	21,551	184,167
	74,623	537,353

The fair value of those trade and other debtors classified as financial instrument loans and debtors are disclosed in note 24 "Financial instruments".

The company's exposure to credit and market risks, including impairments and allowances for credit losses, relating to trade and other debtors is disclosed in the Directors' report.

16 Cash and cash equivalents

	30 November 2017 £	30 November 2016 £
Cash on hand	561	497
Cash at bank	805,535	12,942,835
	806,096	12,943,332

17 Trade and other creditors

	30 November 2017 £	30 November 2016 £
Trade creditors	3,607	71,107
Accrued expenses	65,502	762,199
Amounts due to related parties	996,737	21,793,358
Social security and other taxes	-	9,336
Outstanding defined contribution pension costs	1,074	8,314
Other creditors	2,960	103,235
	1,069,880	22,747,549

The fair value of the trade and other creditors classified as financial instruments are disclosed in note 24 "Financial instruments".

The company's exposure to market and liquidity risks, including maturity analysis, related to trade and other creditors is disclosed in the Directors' report.

18 Other provisions

	Other provisions £	Total £
At 1 December 2016	60,000	60,000
Provisions used	(37,724)	(37,724)
Unused provision reversed	(22,276)	(22,276)
At 30 November 2017	-	-

The movements illustrated above are in relation to Corporation Tax.

	Other provisions £	Total £
At 01 December 2015	60,000	60,000
At 30 November 2016	60,000	60,000
Current liabilities	60,000	60,000

19 Share capital

Allotted, called up and fully paid shares

	30 November 2017 No.	£	30 November 2016 No.	£
Ordinary of £0.01 each	10,000,000	100,000	408,725,787	4,087,258

Rights, preferences and restrictions

Ordinary have the following rights, preferences and restrictions:

Each Ordinary share shall confer the right to receive notice of and attend and vote at any general meeting of the company and on a poll shall confer one vote for every one ordinary share held. Each Ordinary share shall be entitled to a dividend or distribution on a winding up of the company pro-rata to the normal value of each ordinary share. The Ordinary shares are not redeemable.

During the year, the share capital was reduced from £4,298,612 to £100,000 by cancelling 419,861,111 of the issued ordinary shares of £0.01 each in the Company, each of which was fully paid up. The share premium account of the Company of £7,634,586 was also cancelled.

20 Obligations under leases and hire purchase contracts

Operating leases

The total future value of minimum lease payments is as follows:

	30 November 2017 £	30 November 2016 £
Within one year	31,150	-

The amount of non-cancellable operating lease payments recognised as an expense during the year was £249,684 (2016 - £103,299)

21 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £4,290 (2016 - £19,704).

Contributions totalling £(1,074) (2016 - £(8,314)) were payable to the scheme at the end of the year and are included in creditors.

22 Share-based payments

Share Incentive Plan

Scheme description

In September 2005, the company introduced a Share Incentive Plan (SIP) and has run it in a three further years (2006,2007, and 2010). The plan was closed in August 2017 when the Company was acquired by the new owner. Under this plan the employees were eligible to acquire shares in the following ways:
Free Shares
Partnership Shares
Matching Shares

The free shares were available to all eligible employees and the shares must be held in trust for the minimum period of 3 years unless the employee leaves the company, in which case the Free shares may be forfeited or withdrawn from the plan.

Partnership shares were available for purchase by employees at current market value. Employees could invest any amount from between £10 - £1,500 (or 10% of the employee's salary if lower). The partnership shares were matched by the Matching shares in a 1 for 1 basis in 2010 (2 for 1 basis in 2005 and 2006).

The Partnership and Matching shares must be held in trust for a minimum of 3 years unless the employee leaves the company in which case the Free shares may either be forfeited or withdrawn from the Plan. All of the shares were purchased at fair market value in the market and the cash cost of the partnership shares was expensed in the year of issue. The total fair value of the options granted in the years was £nil (2016: £nil).

Long Term Incentive Plan

Scheme description

In November 2007, the Group introduced a Long Term Incentive Plan ('LTIP'), under which at that time 14 members of senior management were granted a maximum of 5,658,824 share options dependent on performance criteria. The options, all with an exercise price of 1 pence, vested in February 2010 as the performance criteria of the Company achieving an average of at least 15% annualised adjusted earnings per share growth over the three years to November 2009 was met, although the maximum criteria which required growth of 25% per year was not.

During the year, no vested options were forfeited and 692,267 options were exercised at 1 pence leaving no vested options remaining at 30 November 2017 (2016: 692,267). The weighted average remaining contractual life of these options is 0 year (2016: 2 years). In 2010 a new LTIP scheme was launched in two parts, a Profit Growth Plan ('PGP') and a Share Price Growth Scheme ('SPGS'). Under the PGP, 8 members of senior management were granted a maximum of 9,650,000 options in April 2010 to acquire shares in the Company at nominal value under a new 2010 Company Share Option Plan ("2010 Plan").

The scheme was subject to performance conditions relating to the growth in adjusted operating profit (note 5) in the business unit for which the participant was responsible over the two years to 30th November 2011 or, in the case of Directors, the Group as a whole. Vesting rights in these options accrued if profit growth exceeded certain minimum growth thresholds that were set for each individual business unit and ranged from 3% to 8% per annum. During the year, no options were exercised at 1 pence and none were forfeited. The number of vested options outstanding at 30 November 2017 is nil (2016: nil).

The 2013 Award

Scheme description

In December 2013, the Group made a new award of share options ("2013 Award"). Options were granted to the two Executive Directors, the non-Executive Chairman and two other members of management. Options under this plan are exercisable at the 2012 placing price of 1.5p and will vest according to a scale if the Company's average share price, over any four-month period after the date of grant, exceeds a target share price. The target share price is 3.5p for 27.1% of the options, 5.0p for 20.8% of the options, 6p for 13.0% of the options, 7p for 13.0% of the options, 8p for 13.0% of the options and 9p for the remaining 13.0% of the options.

A maximum of 78,090,157 ordinary shares may be issued under the 2013 Award. Where individual options have vested, up to 10% of the vested shares may be exercised from 12 months following vesting, up to 20% from two years and up to 30% from three years. Where individual options have vested, up to 10% of the vested shares may be exercised from 12 months following vesting, up to 20% from two years and up to 30% from three years. During the year, 20,443,057 options were exercised at the exercise price of 1.5 pence per share, and 55,070,125 options lapsed. All share options have now been exercised or the option has lapsed. Therefore there are no longer any share options outstanding for this scheme.

23 Dividends

	30 November 2017 £	30 November 2016 £
Interim dividend of £1.007 (2016 - £Nil) per ordinary share	10,070,000	-

Interim dividends paid

	30 November 2017 £	30 November 2016 £
Interim dividend of £1.007 (2016 - £Nil) per each Ordinary shares	10,070,000	-

24 Financial instruments

Financial assets

Loans and receivables

	Carrying value		Fair value	
	30 November 2017 £	30 November 2016 £	30 November 2017 £	30 November 2016 £
Cash and cash equivalents	806,096	12,943,332	806,096	12,943,332
Trade and other receivables	21,551	354,904	21,551	354,904
	827,647	13,298,236	827,647	13,298,236

Financial liabilities

Financial liabilities at amortised cost

	Carrying value		Fair value	
	30 November 2017 £	30 November 2016 £	30 November 2017 £	30 November 2016 £
Trade and other payables	1,004,378	21,985,350	1,004,378	21,985,350

Valuation methods and assumptions

Financial liabilities at amortised cost

25 Related party transactions

Summary of transactions with parent entities

Sport Business Acquisitions Limited is the parent company and 100% shareholder of Electric Word Limited.
During the year, the company received a loan of £139,044 from its parent entity.
The loan is interest free and repayable on demand.

Summary of transactions with subsidiaries

The transactions described below are with the subsidiaries that Electric Word has 100% ownership of.
Loans from subsidiaries totalling £3,410,422 were written off in the year. Provisions of £1,321,866 had been made against these loan balances in earlier years. Management charges of £552,151 were raised to subsidiaries in the year.
At the year end date, amounts due to subsidiary companies totalled £857,693 (2016: £21,793,358).

Summary of transactions with other related parties

Electric Word Employee Benefit Trust
The loan to the related party was repaid during the year.

Loans to related parties

2017	Other related parties £
At start of period	170,738
Repaid	(170,738)
At end of period	-

2016	Other related parties £
At start of period	170,738

Loans from related parties

2017	Parent £	Subsidiary £
At start of period	-	21,793,358
Advanced	139,044	-
Repaid	-	(17,525,243)
Impairment	-	(3,410,422)
At end of period	139,044	857,693

2016	Subsidiary £
At start of period	3,826,000
Advanced	19,663,358
Repaid	(1,696,000)
At end of period	21,793,358

26 Parent of group in whose consolidated financial statements the company is consolidated

The name of the parent of the group in whose consolidated financial statements the company's financial statements are consolidated is Sport Business Acquisitions Limited.

These financial statements are available upon request from Park House, 116 Park Street, London, United Kingdom, W1K 6AF.

27 Parent and ultimate parent undertaking

The entity is wholly owned by Sport Business Acquisitions Limited.

The company's immediate parent is Sport Business Acquisitions Limited. These financial statements are available upon request from Park House, 116 Park Street, London, United Kingdom, W1K 6AF.

28 Transition to FRS 101

There are no material changes between FRS 101 and the previous accounting standards (IFRS EU).