

**Registered number: 08798940**

**SPORT:80 PLC**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2018**



## **SPORT:80 PLC**

### **CONTENTS**

	<b>Page</b>
<b>Company Information</b>	<b>2</b>
<b>Group Strategic Report</b>	<b>3</b>
<b>Directors' Report</b>	<b>5</b>
<b>Corporate Governance Report</b>	<b>6</b>
<b>Independent Auditor's Report</b>	<b>7</b>
<b>Group and Company Statements of Financial Position</b>	<b>9</b>
<b>Group Statement of Comprehensive Income</b>	<b>10</b>
<b>Group Statement of Changes in Shareholders' Equity</b>	<b>11</b>
<b>Company Statement of Changes in Shareholders' Equity</b>	<b>12</b>
<b>Group and Company Cash Flow Statements</b>	<b>13</b>
<b>Notes to the Financial Statements</b>	<b>14 - 29</b>

## **SPORT:80 PLC**

### **COMPANY INFORMATION**

<b>Directors</b>	Gary Hargraves (Executive Director) Garth Palmer (Director) Simon Clegg (Director) (appointed 27 January 2019)
<b>Company Secretary</b>	Heytesbury Corporate LLP
<b>Registered Office</b>	Unit 3, Neepsend Triangle Business Centre 1 Burton Road Sheffield S3 8BW United Kingdom
<b>Company Number</b>	08798940
<b>Bankers</b>	HSBC Bank plc 70 Pall Mall London SW1Y 5EZ
<b>Independent Auditors</b>	PKF Littlejohn LLP Chartered Accountants and Registered Auditor 1 Westferry Circus Canary Wharf London E14 4HD
<b>Solicitors</b>	Hill Dickinson LLP The Broadgate Tower 20 Primrose Street London EC2A 2EW

## **SPORT:80 PLC**

### **GROUP STRATEGIC REPORT**

The Directors of Sport:80 plc (the "Company") and its subsidiary undertakings (which together comprise the "Group") present their Strategic Report on the Group for the year ended 31 December 2018.

#### **Strategic approach**

The Group's aim is to create value for shareholders through the provision of sports technology and event management services. The Group's primary strategy is to continue to progress the development of its sports management technology platform (the "Platform") and in conjunction grow its customer base.

#### **Organisation overview**

The Group's business is directed by and managed on a day-to-day basis by the Executive Director. The Directors monitor compliance with objectives and policies of the Group through monthly performance reporting, budget updates and periodic operational reviews.

The Corporate Head Office of the Group is located in Sheffield, UK and provides corporate support services to operations which are based from the same location.

#### **Review of business**

The Group was formed in 2013 in response to market demand by sports federations for a comprehensive platform to allow effective and efficient management of their operations. The Executive Director noted that it is common practice for many sports federations to rely on paper based systems to facilitate entry to internationally accredited competitions and domestic tournaments and have little transparency on membership numbers and revenue collection.

The Group has designed, developed and deployed a proprietary cloud-based platform which allows users to control their data effectively, including membership management and sale, event management, merchandising, aggregation and analysis of data and premium content sales.

The core services offered by the Group are:

- **Sports Technology:** Sale of the Group's Platform to various sporting organisations, with a focus initially on International and National federations.
- **Event Management & Sports Logistics:** Provision of comprehensive management solutions for sporting events, leveraging the Platform and management's extensive industry experience and the provision of bespoke travel packages for individuals, groups and elite squads whereby the Group manages booking, payment & distribution of information for all travel requirements.
- **Sports Consultancy:** Partnering with sporting organisations to assist them with their operations & project management.

In 2018, the Group was primarily focused on furthering development of the Platform and enhancing its capabilities while at the same time growing its Platform customer base from approximately 350,000 contracted user records to over 700,000 contracted user records with a further 50,000 contracted that are to be migrated. The Group also continued delivering its Event Management & Sports Logistics and Sports Consultancy services.

The Group also spent considerable time and resources on a public listing of the Company's ordinary shares to the AIM market of the London Stock Exchange ('AIM Listing'). Due to unforeseen circumstances it now appears unlikely that the Company will proceed with the AIM Listing. The intention of the AIM Listing was to fasttrack growth & development and in the absence of the additional funds expected from the AIM Listing the Group will need to rely on support from existing shareholders and/or alternative sources of private funding to continue executing its strategy. The costs related to the aborted listing totaled £168,100 and are shown as a separate line item within the Group Statement of Comprehensive Income.

#### **Principal risks and uncertainties**

##### **Technology**

The Group's performance is dependent on its technology keeping pace with developments in cloud technology, including the ability to scale with growth. The Group manages this risk by a commitment to research and development combined with on-going dialogue with trading partners and sector specialists to ensure that market developments are understood.

##### **Dependence on key personnel**

The Group and Company is dependent upon its executive management team and various technical consultants. Whilst it has entered into contractual agreements with the aim of securing the services of these personnel, the retention of their services cannot be guaranteed. The development and success of the Group depends on the Company's ability to recruit and retain high quality and experienced staff. The loss of the services of key personnel and/or the inability to attract additional qualified personnel as the Group grows could have an adverse effect on future business and financial conditions.

**GROUP STRATEGIC REPORT****Financial risks**

The Group's operations expose it to a variety of financial risks that include market risk (foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group has a risk management programme in place that seeks to limit the adverse effects on the financial performance of the Group by monitoring levels of debt finance and the related finance costs. The Group does not use derivative financial instruments to manage interest rate costs and, as such, no hedge accounting is applied. Details of the Group's financial risk management policies are set out in Note 3 to the Financial Statements.

**Brexit risk**

Due to the uncertainty around Brexit, management have assessed the risks it poses to the Group. As the majority of the Group's clients are based in the UK or USA, it is expected that there will be a minimal impact on the Group's performance and revenue.

**Financial performance review**

The loss of the Group for the year ended 31 December 2018 after taxation amounted to £412,290 (period ended 31 December 2017: £65,400).

The Board monitors the activities and performance of the Group on a regular basis. The Board uses financial indicators based on budget versus actual to assess the performance of the Group. The indicators set out below will continue to be used by the Board to assess performance over the period to 31 December 2019.

The four main KPIs for the Group are set out below. These allow the Group to monitor revenues, margin and plan future growth and development activities:

	2018	2017
Cash and cash equivalents	<b>£222,398</b>	£31,079
Revenue	<b>£695,610</b>	£583,238
Gross margin	<b>32.3%</b>	40.6%
Approximate number of contracted user records	<b>700,000</b>	350,000

Cash has been used to fund the Group's operations and facilitate its Platform development activities (as set out in the Consolidated Cash Flow Statement on page 13).

Gross margin has decreased year-on-year due to certain Event Management & Sports Logistics services being provided to customers for nominal or nil margin as a gesture of goodwill.

The Group Strategic Report was approved by the Board on 8 April 2019.



Gary Hargraves  
Director  
Date: 8 April 2019

## SPORT:80 PLC

### DIRECTORS' REPORT

The Directors present their Report, together with the Group Financial Statements and Auditor's Report, for the year ended 31 December 2018.

#### Principal Activity

The principal activity of Sport:80 plc is that of a holding company. The principal activity of the Group is the provision of sports technology and event management services.

#### Dividends

The Directors do not recommend the payment of a dividend for the year (period ended 31 December 2017: £nil).

#### Directors & Directors' Interests

The Directors who served during the year ended 31 December 2018 had the following beneficial interests in the shares of the Company:

	31 December 2018		31 December 2017	
	Ordinary Shares	Options	Ordinary Shares	Options
Gary Hargraves	82,785,000	nil	72,000,000	nil
Garth Palmer	8,325,000	nil	5,200,000	nil

#### Corporate responsibility

##### Internal Controls

The Board recognises the importance of both financial and non-financial controls and has reviewed the Group's control environment and any related shortfalls during the year. Since the Group was established, the Board is satisfied that, given the current size and activities of the Group, adequate internal controls have been implemented. Whilst the Board is aware that no system can provide absolute assurance against material misstatement or loss, in light of the current activity and proposed future development of the Group, continuing reviews of internal controls will be undertaken to ensure that they are adequate and effective.

##### Going Concern

The Board has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and, therefore, continues to adopt the going concern basis in preparing the Annual Report and Financial Statements. Further details on the Board's assumptions and conclusion thereon are included in the statement on going concern in Note 2.4 of the Financial Statements.

##### Directors' and Officers' Indemnity Insurance

The Group has made qualifying third-party indemnity provisions for the benefit of its Directors. These were made during the previous period and remain in force at the date of this report.

##### Events after the Reporting Date

Events after the reporting date are set out in Note 24 to the Financial Statements.

##### Provision of Information to Auditor


So far as each of the Directors is aware at the time this report is approved:

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

##### Auditor

The auditor, PKF Littlejohn LLP, will be proposed for reappointment in accordance with Section 485 of the Companies Act 2006. PKF Littlejohn has signified its willingness to continue in office as auditor.

This report was approved by the Board on 8 April 2019 and signed on its behalf by:

  
Gary Hargraves  
Director

## SPORT:80 GLOBAL LIMITED

### CORPORATE GOVERNANCE REPORT

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Financial Statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 Group, and of the profit or loss of the Group for that period. In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the financial statements on a 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 Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group, and enable them to ensure that the Financial Statements comply with the Act. They are also responsible for safeguarding the assets of the Group, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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



Gary Hargraves  
Director

## **SPORT:80 PLC**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SPORT:80 PLC**

#### **Opinion**

We have audited the financial statements of Sport:80 plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2018 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statements of Financial Position, the Consolidated and Parent Company Statements of Changes in Equity, the Consolidated and Parent Company Statements 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 and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2018 and of the group's and parent company's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the EU and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements 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 group and parent 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 group's or the parent 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the group and parent company 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.



## **SPORT:80 PLC**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SPORT:80 PLC**

#### **Matters on which we are required to report by exception**

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

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the group and parent company 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 group and parent company financial statements, the directors are responsible for assessing the group's and the parent 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 group or the parent 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: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **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.



**Joseph Archer (Senior Statutory Auditor)**  
For and on behalf of PKF Littlejohn LLP  
Statutory Auditor

1 Westferry Circus  
Canary Wharf  
London E14 4HD

8 April 2019

## SPORT:80 PLC

STATEMENTS OF FINANCIAL POSITION  
As at 31 December 2018

Company number: 08798940

	Note	Group		Company	
		2018 £	2017 £	2018 £	2017 £
<b>Non-Current Assets</b>					
Property, plant and equipment	0	36,645	33,802	-	-
Intangible assets	9	608,920	603,739	12,848	61,698
Investment in subsidiaries	10	-	-	1,377,690	1,042,684
		645,565	637,541	1,390,538	1,104,382
<b>Current Assets</b>					
Trade and other receivables	11	81,387	87,925	-	-
Cash and cash equivalents	12	222,398	31,079	120,487	20,588
		303,785	119,004	120,487	20,588
<b>Total Assets</b>		949,350	756,545	1,511,025	1,124,970
<b>Current Liabilities</b>					
Trade and other payables	13	275,980	264,161	15,965	113,465
<b>Total Liabilities</b>		275,980	264,161	15,965	113,465
<b>Net Assets</b>		673,370	492,384	1,495,060	1,011,505
<b>Equity attributable to owners of the Parent</b>					
Ordinary shares	14	516,466	424,336	516,466	424,336
Share premium	14	1,341,343	841,387	1,341,343	841,387
Other reserves	15	(217,234)	(218,424)	-	-
Retained earnings		(967,205)	(554,915)	(362,749)	(254,218)
<b>Total Equity</b>		673,370	492,384	1,495,060	1,011,505

The Financial Statements were approved and authorised for issue by the Board on 8 April 2019 and were signed on its behalf by:



Garth Palmer  
Director

The Notes on pages 14 to 29 form part of these Financial Statements.

## SPORT:80 PLC

STATEMENTS OF COMPREHENSIVE INCOME  
For the year ended 31 December 2018

		Year ended 31 December 2018			Year ended 31 December 2017		
Continued operations	Note	Underlying £	Non- underlying (Note 7) £	Total £	Underlying £	Non- underlying (Note 7) £	Total £
Revenue		695,610	-	695,610	583,238	-	583,238
Cost of sales		(470,989)	-	(470,989)	(346,674)	-	(346,674)
Gross profit		224,621	-	224,621	236,564	-	236,564
Administrative expenses	6	(542,141)	(168,106)	(710,247)	(399,418)	-	(399,418)
Other net losses		(1,354)	-	(1,354)	(1,861)	-	(1,861)
Operating loss		(318,874)	(168,106)	(486,980)	(164,715)	-	(164,715)
Finance (costs)/income	18	(363)	-	(363)	(376)	-	(376)
Loss before taxation		(319,237)	(168,106)	(487,343)	(165,091)	-	(165,091)
Taxation	19	75,053	-	75,053	99,702	-	99,702
Profit/(Loss) attributable to:							
Owners of the parent		(244,184)	(168,106)	(412,290)	(65,389)	-	(65,389)
Other comprehensive income:							
Items that may be reclassified to profit or loss		1,190	-	1,190	-	-	-
Total comprehensive income attributable to owners of the Parent		(242,994)	(168,106)	(411,100)	(65,389)	-	(65,389)
Earnings per share attributable to owners of the parent (expressed in pence per share)	20	(0.125)	(0.087)	(0.212)	(0.039)	-	(0.039)

Section 408 exemption presenting the Company's Income Statement and Statement of Comprehensive Income has been taken by the Directors.

The loss for the Company for the year ended 31 December 2018 was £108,531 (year ended 31 December 2017: £69,803).

The Notes on pages 14 to 29 form part of these Financial Statements.

## SPORT:80 PLC

**GROUP STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**For the year ended 31 December 2018**

	Attributable to Owners of the Parent				Total equity £
	Ordinary shares £	Share premium £	Other reserves £	Retained losses £	
<b>As at 1 January 2017</b>	<b>423,502</b>	<b>819,721</b>	<b>(215,150)</b>	<b>(489,526)</b>	<b>538,547</b>
Loss for the year	-	-	-	(65,389)	(65,389)
<b>Other comprehensive income for the year</b>					
<b>Items that may be subsequently reclassified to profit or loss</b>					
Currency translation differences	-	-	(3,274)	-	(3,274)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>(3,274)</b>	<b>(65,389)</b>	<b>(68,663)</b>
<b>Transactions with owners</b>					
Issue of ordinary shares	834	21,666	-	-	22,500
<b>Total transactions with owners</b>	<b>834</b>	<b>21,666</b>	<b>-</b>	<b>-</b>	<b>22,500</b>
<b>As at 31 December 2017</b>	<b>424,336</b>	<b>841,387</b>	<b>(218,424)</b>	<b>(554,915)</b>	<b>492,384</b>
<b>As at 1 January 2018</b>	<b>424,336</b>	<b>841,387</b>	<b>(218,424)</b>	<b>(554,915)</b>	<b>492,384</b>
Loss for the year	-	-	-	(412,290)	(412,290)
<b>Other comprehensive income for the year</b>					
<b>Items that may be subsequently reclassified to profit or loss</b>					
Currency translation differences	-	-	1,190	-	1,190
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>1,190</b>	<b>(412,290)</b>	<b>(411,100)</b>
<b>Transactions with owners</b>					
Issue of ordinary shares	92,130	499,956	-	-	592,086
<b>Total transactions with owners</b>	<b>92,130</b>	<b>499,956</b>	<b>-</b>	<b>-</b>	<b>592,086</b>
<b>As at 31 December 2018</b>	<b>516,466</b>	<b>1,341,343</b>	<b>(217,234)</b>	<b>(967,205)</b>	<b>673,370</b>

Reserve	Description and Purpose
Share Capital	Amount subscribed for share capital at nominal value.
Share Premium	Amount subscribed for share capital in excess of nominal value.
Other Reserves	This includes the merger reserve and the foreign currency translation reserve. The merger reserve represents the difference between the nominal value of the shares issued by the Company for the acquisition of the Subsidiary and the Subsidiary's own share capital and share premium account. The foreign currency translation reserve represents the translation differences arising from translating the financial statement items from functional currency to presentational currency.
Retained Losses	Cumulative net gains or losses recognised in the statement of comprehensive income.

The acquisition by the Company of the entire share capital of Sport:80 Services Limited (formerly Sport:80 limited the "Subsidiary") on 17 December 2014 was accounted for as a merger.

The Notes on pages 14 to 29 form part of these Financial Statements.

**SPORT:80 PLC**

**COMPANY STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
For the year ended 31 December 2018

	Ordinary shares £	Share premium £	Retained losses £	Total equity £
<b>As at 1 January 2017</b>	<b>423,502</b>	<b>819,721</b>	<b>(184,415)</b>	<b>1,058,808</b>
Loss for the year	-	-	(69,803)	(69,803)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>(69,803)</b>	<b>(69,803)</b>
<b>Transactions with owners</b>				
Issue of ordinary shares	834	21,666	-	22,500
<b>Total transactions with owners</b>	<b>834</b>	<b>21,666</b>	<b>-</b>	<b>22,500</b>
<b>As at 31 December 2017</b>	<b>424,336</b>	<b>841,387</b>	<b>(254,218)</b>	<b>1,011,505</b>
<b>As at 1 January 2018</b>	<b>424,336</b>	<b>841,387</b>	<b>(254,218)</b>	<b>1,011,505</b>
Loss for the year	-	-	(108,531)	(108,531)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>(108,531)</b>	<b>(108,531)</b>
<b>Transactions with owners</b>				
Issue of ordinary shares	92,130	499,956	-	592,086
<b>Total transactions with owners</b>	<b>92,130</b>	<b>499,956</b>	<b>-</b>	<b>592,086</b>
<b>As at 31 December 2018</b>	<b>516,466</b>	<b>1,341,343</b>	<b>(362,749)</b>	<b>1,495,060</b>

**Reserve**

Share Capital

Share Premium

Retained Losses

**Description and Purpose**

Amount subscribed for share capital at nominal value.

Amount subscribed for share capital in excess of nominal value.

Cumulative net gains or losses recognised in the statement of comprehensive income.

The Notes on pages 14 to 29 form part of these Financial Statements.

**SPORT:80 PLC**

**STATEMENTS OF CASHFLOWS**  
**For the year ended 31 December 2018**

	Note	Group		Company	
		2018 £	2017 £	2018 £	2017 £
<b>Cash flows from operating activities</b>					
Profit before taxation		(487,343)	(165,091)	(108,531)	(69,803)
Adjustments for:					
Depreciation & amortisation		260,322	205,991	48,850	48,850
Decrease/(increase) in trade and other receivables		(5,608)	111,933	-	964
Increase/(decrease) in trade and other payables		23,965	(85,799)	(97,500)	(3,986)
Foreign exchange		2,487	(3,275)	-	-
Corporation tax		75,053	99,702	-	-
<b>Net cash generated (used in)/from operating activities</b>		<b>(131,125)</b>	<b>163,461</b>	<b>(157,181)</b>	<b>(23,975)</b>
<b>Cash flows from investing activities</b>					
Purchase of property, plant & equipment		(20,937)	(25,068)	-	-
Purchase of intangibles		(248,706)	(233,062)	-	-
Loans granted to subsidiary undertakings		-	14	(335,006)	(78,045)
Loans granted to Directors		-	(1,000)	-	-
<b>Net cash used in investing activities</b>		<b>(269,643)</b>	<b>(259,116)</b>	<b>(335,006)</b>	<b>(78,045)</b>
<b>Cash flows from financing activities</b>					
Proceeds from issue of shares		607,086	22,348	607,086	22,348
Proceeds from shares to be issued		-	100,000	-	100,000
Cost of share issue		(15,000)	-	(15,000)	-
<b>Net cash used in financing activities</b>		<b>592,086</b>	<b>122,348</b>	<b>592,086</b>	<b>122,348</b>
<b>Net (decrease) / (increase) in cash and cash equivalents</b>		<b>191,319</b>	<b>26,693</b>	<b>99,899</b>	<b>20,328</b>
<b>Cash and cash equivalents at beginning of period</b>		<b>31,079</b>	<b>4,386</b>	<b>20,588</b>	<b>260</b>
<b>Cash and cash equivalents at end of year</b>	12	<b>222,398</b>	<b>31,079</b>	<b>120,487</b>	<b>20,588</b>

The Notes on pages 14 to 29 form part of these Financial Statements.

## SPORT:80 PLC

### NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2018

#### ACCOUNTING POLICIES

##### 1. General Information

The principal activity of Sport:80 plc ("the Company") and its subsidiaries (together "the Group") is the provision of sports technology and event management services. The Company is incorporated and domiciled in the United Kingdom.

The address of its registered office is Unit 3, Neepsend Triangle Business Centre, 1 Burton Road, Sheffield, S3 8BW, United Kingdom.

##### 2. Summary of Significant Accounting Policies

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 periods presented, unless otherwise stated.

###### 2.1 Basis of Preparation of Financial Statements

The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU) and the Companies Act 2006 applicable to companies reporting under IFRS to companies reporting under IFRS, and IFRIC interpretations. The Consolidated Financial Statements have been prepared under the historical cost convention.

The financial statements are presented in pounds sterling to the nearest pound.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's Accounting Policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Statements are disclosed in Note 4.

###### 2.2 Standards and Interpretations effective in the current period

###### (a) Accounting developments during 2018

The International Accounting Standards Board (IASB) issued various amendments and revisions to International Financial Reporting Standards and IFRIC interpretations. The amendments and revisions were applicable for the period ended 31 December 2017 but did not result in any material changes to the financial statements of the Group or Company.

The following standards were adopted by the Group during the year;

- IFRS 15 - Revenue from Contracts with Customers (effective 1 January 2018)
- IFRS 9 – Financial Instruments (effective 1 January 2018)
- IFRS 2 (Amendments) – Share-based payments – classification and measurement (effective 1 January 2018)
- Annual Improvements 2014-2016 Cycle
- IFRIC Interpretation 22 - Foreign currency transactions and advanced consideration (effective 1 January 2018)

###### (b) New standards, amendments and Interpretations in issue but not yet effective or not yet endorsed and not early adopted

Standard	Impact on initial application	Effective date
IFRS 16	Leases	*1 January 2019
Annual Improvements	2015-2017 Cycle	1 January 2019
IFRIC 23	Uncertainty over Income tax treatments	*1 January 2019
IFRS 9 (Amendments)	Prepayment features with negative compensation	*1 January 2019
IAS 19 (Amendments)	Plan amendment, curtailment or settlements	1 January 2019
IAS 28 (Amendments)	Long term interests in associates and joint ventures	*1 January 2019

The Notes on pages 14 to 29 form part of these Financial Statements.

## SPORT:80 PLC

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

\*\* Subject to EU endorsement

^ Effective date deferred indefinitely

The Directors are actively considering the effects upon the financial statements of the above standards and at the time of approval do not consider that the financial statements will be subject to material changes.

Under the new IFRS 15 standards, the Group's revenue has been divided into 3 portfolios of revenue; Sports Technology, Sports Logistics & Event Management and Sports Consultancy. During 2017, the Group completed an impact assessment of IFRS 15 and concluded that the adoption of IFRS 15 does not have a material impact on its consolidated results as detailed below.

Management reviewed contracts where the Group received consideration in order to determine whether or not they should be accounted for in accordance with IFRS 15. The contracts are accounted for in accordance with IFRS 15, and revenue is recognised at either a point-in-time or over time, depending on the nature of the services and existence of acceptance clauses.

Management also reviewed the Implications of IFRS 9 on the financial statements. Due to the nature of the operations of Sport:80, there is little to no history of losses incurred on financial assets. As such, an expected credit loss is not applicable to be prepared as customers are invoiced regularly based on the contract agreements made.

#### 2.3 Basis of Consolidation

The Group Financial Statements consolidate the Financial Statements of the Company and its subsidiaries made up to 31 December 2018.

Subsidiaries are entities over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to variable returns from its movement with the entity and has the ability to affect those returns through its power of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from intercompany transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

#### 2.4 Going Concern

The Group's business activities together with the factors likely to affect its future development, performance and position are set out in the Group Strategic Report on page 3. In addition, Note 3 to the Financial Statements includes the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and its exposure to credit and liquidity risk.

The Financial Statements have been prepared on a going concern basis. The Directors have prepared and reviewed a business plan and cash flow forecast. The forecast contains certain assumptions about the level of future sales and gross margin achievable. The Directors have also included in the cash flow forecasts certain inward investment that is expected to be received during the next 12 months in order for the Group to have adequate resources to continue in operational existence, as well as consideration of their ability to support the Group should the need arise. These assumptions are the directors' best estimate of the future development of the business and include judgement in respect of the timing and amount of funds raised.

Therefore the Directors have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future. Thus the Directors continue to adopt the going concern basis of accounting in preparing the Group and Company financial statements.

#### 2.5 Revenue

Revenue is measured at the fair value of the consideration received or receivable, and represent amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. Under IFRS 15 there is a five-step approach to revenue recognition which is adopted across all revenue streams. The process is:

- Step 1: Identify the contract(s) with a customer;
- Step 2: Identify the performance obligations in the contract;
- Step 3: Determine the transaction price;
- Step 4: Allocate the transaction price to the performance obligations in the contract; and
- Step 5: Recognise revenue as and when the entity satisfies the performance obligation.



## **SPORT:80 PLC**

### **NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 December 2018**

The Group has three types of revenue streams, Sport technology, sports logistics & event management and sports consultancy.

Sports technology revenue comprises of licence fees, data migration, design fees, communication fees and technological services. The licence and communication fees are recognised over time on a monthly basis, whilst all other fees are recognised once the services have been provided to the client.

Sports logistics and event management revenue is recognised once the event has taken place. Where the Group acts as principal in its dealings with customers gross revenue is recognised, where it acts as an agent only the net fee is recorded as revenue.

Sports consultancy revenue is recognised once performance obligations have been satisfied and work is completed.

#### **2.6 Cost of Sales**

Cost of sales comprises direct costs relating to event management, sport logistics and sports consultancy services.

#### **2.7 Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ("CODM"), who is considered to be the Executive Director. Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

#### **2.8 Foreign Currencies**

##### *(a) Functional and presentation currency*

Items included in the Financial Statements of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The Financial Statements are presented in British Pounds Sterling, rounded to the nearest pound, which is the functional and presentational currency of both the Group and Company.

##### *(b) Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where such items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in other comprehensive income.

##### *(c) Group companies*

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each period end date presented are translated at the period-end closing rate;
- income and expenses for each Income Statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of monetary items receivable from foreign subsidiaries for which settlement is neither planned nor likely to occur in the foreseeable future, are taken to other comprehensive income. When a foreign operation is sold, such exchange differences are recognised in the Income Statement as part of the gain or loss on sale.

#### **2.9 Intangible assets**

##### *Research and development assets*

Research and development expenditure is recognised as an expense when it is incurred. Development expenditure is recognised as an expense except when such expenditure is expected to generate future economic benefits in which case it is capitalised as an intangible asset. Any internally generated development costs (including software development) are recognised as an asset only if the following can be demonstrated:

- Ability to measure reliably the expenditure attributable to the asset under development;
- The project is technically and commercially feasible;

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 December 2018**

- Its future economic benefits are probable;
- Ability to use or sell the developed asset;
- The availability of adequate technical, financial and other resources to complete the asset under development.

*Amortisation and impairment*

Capitalised development expenditure is measured at cost less accumulated amortisation and impairment losses, if any. The development expenditure is amortised on a straight line basis over a period of 4 years when the products are ready for sale or use. Useful lives are based on management's estimates of the period over which the assets will generate revenue, with such periods being periodically reviewed for continued appropriateness. In the event that the expected future economic benefits are no longer likely to be recovered, the development expenditure is written down to its recoverable amount. The amortisation charged is included under cost of sales. The Group assesses the impairment of intangible assets subject to amortisation whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors considered important that could trigger an impairment review include the following:

- significant underperformance relative to historical or projected future operating results;
- significant changes in the manner of the use of the acquired assets or the strategy for the overall business; and
- significant negative industry or economic trends.

The complexity of the estimation process and issues related to the assumptions, risks and uncertainties inherent in the application of the Group's accounting estimates in relation to intangible assets affect the amounts reported in the Financial Statements, especially the estimates of the expected useful economic lives and the carrying values of those assets. If business conditions were different, or if different assumptions were used in the application of this and other accounting estimates, it is likely that materially different amounts could be reported in the Group's Financial Statements.

**2.10 Property, plant and equipment**

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided on all property, plant and equipment to write off the cost less estimated residual value of each asset over its expected useful economic life on a straight-line basis at the following annual rates:

Computer equipment – 25% straight line  
Office equipment – 50% straight line

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognised within 'Other net (losses) / gains' in the income statement.

**2.11 Impairment of non-financial assets**

Assets that have an indefinite useful life, for example, intangible assets not ready to use, are not subject to amortisation and are tested annually for impairment. 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 to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

Non-financial assets that suffered impairment (except goodwill) are reviewed for possible reversal of the impairment at each reporting date.

**2.12 Financial Assets**

*Classification*

The Group has classified all of its financial assets as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets. The Group's loans and receivables comprise trade and other receivables and cash and cash equivalents in the balance sheet.

**Recognition and measurement**

Loans and receivables are initially recognised at fair value plus transaction costs and are subsequently carried at amortised cost using the effective interest method.

## **SPORT:80 PLC**

### **NOTES TO THE FINANCIAL STATEMENTS** **For the year ended 31 December 2018**

#### *Impairment*

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset, or a group of financial assets, is impaired. Under IFRS 9, a financial asset, or a group of financial assets, is immediately impaired, and impairment losses are incurred, if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event"), and that loss event (or events) has an impact on the estimated future cash flows of the financial asset, or group of financial assets, that can be reliably estimated.

The criteria that the Group uses to determine that there is objective evidence of an impairment loss include:

- significant financial difficulty of the issuer or obligor;
- a breach of contract, such as a default or delinquency in interest or principal repayments.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred), discounted at the financial asset's original effective interest rate. The asset's carrying amount is reduced, and the loss is recognised in the income statement. An expected loss is not applicable for the Group in the current year based on historical data as clients are billed on a monthly basis and pay on time.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the income statement.

#### **2.13 Cash and Cash Equivalents**

Cash and cash equivalents comprise cash at bank and in hand.

#### **2.14 Taxation**

The tax expense for the period comprises current tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised directly in equity. In this case the tax is also recognised directly in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax represents the tax expected to be payable or recoverable on the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The Group has reoccurring tax losses which can be used to offset future profits. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. No deferred tax asset has been recognised in the current year.

The Group receives small and medium sized enterprises research and development tax relief for their costs incurred in developing, implementing and testing the platform software. The R&D relief is calculated on the basis of the tax laws enacted at the end of the reporting period in the United Kingdom.

#### **2.15 Share Capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### **2.16 Financial Liabilities**

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 (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value, and subsequently measured at amortised cost using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 December 2018**

**2.17 Operating leases**

Leases of assets under which a significant amount of the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Operating lease payments are charged to the income statement on a straight-line basis over the period of the respective leases.

**2.18 Investments**

Investments in Group undertakings are stated at cost, which is the fair value of the consideration paid, less any impairment provision.

**3. Financial Risk Management and Financial Instruments**

**3.1 Financial Risk Factors**

The Group's activities expose it to a variety of financial risks: market risk (including currency risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

***Market Risk***

***(a) Foreign currency risks***

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Euro against the UK pound. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. The Group has not sensitised the figures for fluctuations in foreign exchange rates as the Director is of the opinion that these fluctuations would not have a significant impact on the financial statements of the Group at the present time. The Director will continue to assess the effect of movements in exchange rates on the Group's financial operations and initiate suitable risk management measures where necessary.

***(b) Interest rate risk***

As the Group has no borrowings, it is not exposed to interest rate risk on financial liabilities. The Group's interest rate risk arises from its cash held on short-term deposit, which is not significant. As such no sensitivity analysis on this amount has been performed.

***Credit Risk***

Credit risk arises from cash and cash equivalents as well as outstanding receivables. Management recognise outstanding receivables as bad debts when it becomes highly likely that the receivable will not be recovered by the Group. Based on Management's assessments of financial assets it does not expect any credit losses or from non-performance of these receivables.

The amount of exposure to any individual counter party is subject to a limit, which is assessed by the Director. No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by these counterparties.

The Group considers the credit ratings of banks in which it holds funds in order to reduce exposure to credit risk.

***Liquidity Risk***

In keeping with similar early stage technology companies, the Group's continued future operations depend on the ability to raise sufficient working capital through the issue of equity share capital. The Directors are confident that adequate funding will be forthcoming with which to finance operations and development of the Platform. Controls over expenditure are carefully managed.

**3.2 Capital Risk Management**

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, in order to provide returns for shareholders and to enable the Group to continue its development activities and provide growth. The Group has no debt at 31 December 2018 and defines capital based on the total equity of the Company being £[\*]. The Group monitors its level of cash resources available against future planned operating and development activities and may issue new shares in order to raise further funds from time to time.

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 31 December 2018

#### 4. Critical Accounting Estimates and Judgements

The Directors evaluate estimates and judgments incorporated into the Financial Statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant items subject to such estimates and assumptions include, but are not limited to:

##### *Intangible assets*

Intangible assets include the capitalised development costs of the Platform. These costs are assessed based on management's view of a percentage of the technology team's time spent on projects that enhance the Platform, supported by internal time recording and considering the requirements of IAS 38 'Intangible assets'. In the current year management capitalised £248,706 (2017: £233,062) of the technology teams salaries and consulting fees. The development cost of the Platform is amortised over the useful life of the asset. The useful life is based on the management's estimate of the period that the asset will generate revenue, which is reviewed annually for continued appropriateness.

The carrying value for intangible assets is £608,920 (2017: £603,739). It is tested for impairment when there is an indication that the value of the assets might be impaired. When carrying out impairment tests these would be based upon future cashflow forecasts and these forecasts would be based upon management judgment. Future events could cause the assumptions to change; therefore this could have an adverse effect on the future results of the Group. A 5% worsening of the assumptions made would have had the impact of increasing loss after tax by £30,446.

#### 5. Segmental Information

The Group's reportable segments are:

	Group	
	2018	2017
	£	£
Event management	108,343	104,378
Sports consultancy	22,690	23,263
Sport logistics	144,802	120,398
Sports technology	419,775	335,199
<b>Total revenue</b>	<b>695,610</b>	<b>583,238</b>

The above revenue segments are split based on their differing performance obligations. The event management segment generates its revenue by providing management solutions for hosting sporting events for sporting organisations, sports consultancy is through providing the client with specific knowledge or advice to assist them with their operations and project management and sports logistics is from providing bespoke and tailored travel packages for groups and individuals whereby the Group manages booking, payment and distribution of information for all travel requirements.

The Sports technology revenue segment generates its revenue via the licensing of the Group's software platform. It consists of a monthly fee for the software however based on differing contracts which includes: original data migration to the sport management system; designing and implementing technological updates to tailor to the client's needs; technological services which include the membership module; event entry module; support module and the administration and reporting module; communications to platform users via text; and consultancy services.

All other internal and external reporting is on a consolidated basis, with transactions between Group companies eliminated on consolidation. Therefore, for all other matters the financial information is the same as that set out in the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity and the consolidated statement of cash flows.

# SPORT:80 PLC

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2018

The Group and Company operate in the United Kingdom and the United States of America.

### 6. Expenses by Nature

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Employee salaries & related expenses	158,780	100,978	-	-
Other employment expenses	39,657	29,291	-	-
Defined pension contribution plan	4,404	1,823	-	-
Advertising & marketing expenses	29,099	4,196	-	-
Establishment expenses	16,222	9,168	-	-
Consultancy & professional fees	89,987	84,302	-	8,500
Audit Fees	14,700	14,000	15,000	12,500
Insurance	7,830	6,647	-	-
Office related expenses including printing, postage and telephone	28,422	15,837	-	-
Depreciation & amortisation	65,646	60,674	48,850	48,850
Travel and subsistence expenses	77,291	67,253	-	-
Other expenses	10,103	5,249	(12,406)	(42)
<b>Total administrative expenses</b>	<b>542,141</b>	<b>399,418</b>	<b>51,444</b>	<b>69,808</b>

### Services provided by the Company's auditor and its associates

During the period, the Group (including overseas subsidiaries) obtained the following services from the Company's auditors and its associates:

	Group	
	2018	2017
	£	£
Fees payable to the Company's auditor and its associates for the audit of the Parent Company and Consolidated Financial Statements	14,700	14,000
Fees payable to the Company's auditor for tax compliance	3,675	3,520
Fees payable to the Company's auditor for AIM listing services	63,950	-

### 7. Non-underlying Items

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
AIM listing related expenses	158,916	-	57,086	-
Other	9,190	-	-	-
	<b>168,106</b>	<b>-</b>	<b>57,086</b>	<b>-</b>

Non-underlying items include consulting and advisory fees incurred in the process of planning to list the Company on the AIM Stock Exchange and any other items that are not expected to be recurring and do not relate to the ongoing operations of the Group's business.

# SPORT:80 PLC

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2018

### 8. Property, Plant and Equipment

	Group			
	Computer equipment £	Office equipment £	Buildings £	Total £
<b>Cost</b>				
As at 1 January 2017	32,383	6,838	-	39,221
Additions	9,336	7,635	8,097	25,068
As at 31 December 2017	41,719	14,473	8,097	64,289
Additions	16,984	3,953	-	20,937
Foreign Exchange	-	(116)	(1,180)	(1,296)
As at 31 December 2018	58,703	18,310	6,917	83,930
<b>Depreciation</b>				
As at 1 January 2017	14,619	4,043	-	18,662
Charge for the year	8,555	3,270	-	11,825
As at 31 December 2017	23,174	7,313	-	30,487
Charge for the year	10,676	5,437	690	16,803
Foreign Exchange	-	(5)	-	(5)
As at 31 December 2018	33,850	12,745	690	47,285
<b>Net book value as at 31 December 2017</b>	<b>18,545</b>	<b>7,160</b>	<b>8,097</b>	<b>33,802</b>
<b>Net book value as at 31 December 2018</b>	<b>24,853</b>	<b>5,565</b>	<b>6,227</b>	<b>36,645</b>

### 9. Intangible Assets

	Group			Company
	Intellectual property £	Platform development £	Total £	Intellectual property £
<b>Cost</b>				
As at 1 January 2017	202,400	574,283	776,683	195,400
Additions	-	233,062	233,062	-
As at 31 December 2017	202,400	807,345	1,009,745	195,400
Additions	-	248,706	248,706	-
As at 31 December 2018	202,400	1,056,051	1,258,451	195,400
<b>Amortisation</b>				
As at 1 January 2017	90,107	121,733	211,840	84,852
Charge for the year	50,595	143,571	194,166	48,850
As at 31 December 2017	140,702	265,304	406,006	133,702
Charge for the year	48,850	194,675	243,525	48,850
As at 31 December 2018	189,552	459,979	649,531	182,552
<b>Net book value as at 31 December 2017</b>	<b>61,698</b>	<b>542,041</b>	<b>603,739</b>	<b>61,698</b>
<b>Net book value as at 31 December 2018</b>	<b>12,848</b>	<b>596,072</b>	<b>608,920</b>	<b>12,848</b>

Intellectual property assets are acquired and platform development costs are predominantly capitalised staff costs associated with enhancements to the existing Platform system.

## SPORT:80 PLC

### NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2018

The amortisation charge on the platform development intangible asset is included in cost of goods sold and the intellectual property is included in operating expenses in the statement of comprehensive income.

An impairment review of intellectual property and platform development assets is carried out on an annual basis in order to ensure that they are valued at the lower of cost and recoverable amount. Following this assessment, the Directors concluded that no impairment charge was necessary at the year end on the basis that these assets are generating revenue. Refer back to note 4 *Critical Accounting Estimates and Judgements* for the basis of which employee salary costs are capitalised and the amortisation period. Management review the forecast of the Group to ascertain the future growth in revenue performance and calculate the net present value. Management applied a discount rate of 15% (2017: 15%). This comparison is made over the same period of time as the amortisation period of capitalised employee costs. From this assessment, management have concluded that no such impairment is required on the intangible assets as the net present value of forecasted revenue is higher than the net book value of intangible assets.

#### 10. Investments in Subsidiary Undertakings

	Company	
	2018 £	2017 £
<b>Shares in Group Undertakings</b>		
At start of period - 1 January	216,250	216,250
Additions	-	-
At 31 December	216,250	216,250
Loans to Group undertakings	1,161,440	826,434
<b>Total</b>	<b>1,377,690</b>	<b>1,042,684</b>

Investments in Group undertakings are stated at cost, which is the fair value of the consideration paid, less any impairment provision.

There is no share capital addition for the incorporation of Sport:80 USA as no shares have been issued to date however the control of the day to day activities lies with the board of directors.

#### Details of Subsidiary Undertakings

Name of subsidiary	Place of business	Parent company	Registered capital	Share capital/ownership held	Principal activities
Sport:80 Services Limited (formerly Sport:80 Limited)	England	Sport:80 plc	Ordinary shares	100%	Sports technology & event management
Sport:80 Systems Limited	England	Sport:80 plc	Ordinary shares	100%	Sports technology & event management
Sport:80 USA, Inc	United States of America	Sport:80 plc	-	100%	Sports technology & event management



# SPORT:80 PLC

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2018

### 11. Trade and Other Receivables

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Trade receivables	35,681	43,147	-	-
Prepayments	15,465	2,389	-	-
Other receivables	30,241	42,389	-	-
	81,387	87,925	-	-

Trade and other receivables are all due within one year. The fair value of all receivables is the same as their carrying values stated above and this is the only form of financial instrument within the Group. £24,653 (2017 £20,020) trade receivables fall due with 30 days. Under IFRS 9, as the clients are billed on a monthly basis, the historical data does not show that a impairment provision is required under the expected credit loss method against trade debtors.

The carrying amounts of the Group and Company's trade and other receivables are denominated in the following currencies:

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
UK Pounds	74,721	80,842	-	-
US Dollars	6,666	7,083	-	-
	81,387	87,925	-	-

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The Group does not hold any collateral as security.

### 12. Cash and Cash Equivalents

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Cash at bank and in hand	222,398	31,079	120,487	20,588

All of the Group's cash at bank is held with institutions with an AA credit rating.

The carrying amounts of the Group and Company's cash and cash equivalents are denominated in the following currencies:

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
UK Pounds	218,837	23,120	120,487	20,588
US Dollars	3,561	7,959	-	-
	222,398	31,079	120,487	20,588

## SPORT:80 PLC

NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 December 2018

## 13. Trade and Other Payables

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Trade payables	121,107	73,604	-	-
Accrued expenses	146,806	51,717	15,000	12,500
Other payables	8,067	138,840	965	100,965
	275,980	264,161	15,965	113,465

All payables are due within 30 days.

## 14. Share Capital

## Issued share capital

Group	Number of shares	Ordinary shares £	Share premium £	Total £
At 1 January 2017	169,400,966	423,502	819,721	1,243,223
Issue of new shares – 28 February 2017	333,333	834	21,666	22,500
At 31 December 2017	169,734,299	424,336	841,387	1,265,723
Issue of new shares – 4 April 2018	2,142,857	5,357	69,643	75,000
Issue of new shares – 5 April 2018	8,125,000	20,312	304,688	325,000
Issue of new shares – 13 April 2018	12,160,000	30,400	-	30,400
Issue of new shares – 16 April 2018	7,500,000	18,750	-	18,750
Issue of new shares – 16 July 2018 <sup>(1)</sup>	3,750,000	9,375	125,625	135,000
Issue of new shares – 4 September 2018	3,175,000	7,936	-	7,936
At 31 December 2018	206,587,156	516,466	1,341,343	1,857,809

(1) Includes issue costs of £15,000

Company	Number of shares	Ordinary shares £	Share premium £	Total £
At 1 January 2017	169,400,966	423,502	819,721	1,243,223
Issue of new shares – 28 February 2017	333,333	834	21,666	22,500
At 31 December 2017	169,734,299	424,336	841,387	1,265,723
Issue of new shares – 4 April 2018	2,142,857	5,357	69,643	75,000
Issue of new shares – 5 April 2018	8,125,000	20,312	304,688	325,000
Issue of new shares – 13 April 2018	12,160,000	30,400	-	30,400
Issue of new shares – 16 April 2018	7,500,000	18,750	-	18,750
Issue of new shares – 16 July 2018 <sup>(1)</sup>	3,750,000	9,375	125,625	135,000
Issue of new shares – 4 September 2018	3,175,000	7,936	-	7,936
At 31 December 2018	206,587,156	516,466	1,341,343	1,857,809

(1) Net of issue costs of £15,000

## SPORT:80 PLC

### NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2018

On 4 April 2018, the Company raised £75,000 via the issue and allotment of 2,142,857 new ordinary shares of 0.25 pence each fully paid at a price of 3.25 pence per share.

On 5 April 2018, the Company raised £325,000 via the issue and allotment of 8,125,000 new ordinary shares of 0.25 pence each fully paid at a price of 3.75 pence per share.

On 13 April 2018, the Company raised £30,400 via the issue and allotment of 12,160,000 new ordinary shares of 0.25 pence per share.

On 16 April 2018, the Company raised £18,750 via the issue and allotment of 7,500,000 new ordinary shares of 0.25 pence per share.

On 16 July 2018, the Company raised £150,000 via the issue and allotment of 3,750,000 new ordinary shares of 0.25 pence each fully paid at a price of 3.75 pence per share.

On 4 September 2018, the Company raised £7,938 via the issue and allotment of 3,175,000 new ordinary shares of 0.25 pence per share.

#### 15. Other Reserves

	Group		Company	
	2018 £	2017 £	2018 £	2017 £
Merger reserve	215,150	215,150	-	-
Foreign Currency Translation Reserve	2,084	3,274	-	-
	217,234	218,424	-	-

The merger reserve represents the difference between the nominal value of the shares issued by the Company for the acquisition of the Subsidiary and the Subsidiary's own share capital and share premium account.

The foreign currency translation reserve represents the translation differences arising from translating the financial statement items from functional currency to presentational currency.

#### 16. Employees

	Group	
	2018 £	2017 £
<b>Staff costs (excluding Directors)</b>		
Salaries and wages	324,944	256,550
	324,944	256,550

The average monthly number of employees during the year was 10 (2017: 8).

Of the above staff costs, £196,164 (2017: £179,947) has been capitalised in accordance with IAS 38 as research & development related costs and are shown as an intangible addition in the year.

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 December 2018**

**17. Directors' Remuneration**

	Short term employee benefits		Total	
	2018 £	2017 £	2018 £	2017 £
<b>Directors</b>				
Gary Hargraves	105,083	106,151	105,083	106,151
Garth Palmer	-	-	-	-
	<b>105,083</b>	<b>106,151</b>	<b>105,083</b>	<b>106,151</b>

£703 (2017: £78) of pension benefits were provided to Gary Hargraves.

Of the above director fees, £52,542 (2017: £53,115) has been capitalised in accordance with IAS 38 as research & development related costs and are shown as an intangible addition in the year.

**18. Finance (Costs)/Income**

	Group		Company	
	2018 £	2017 £	2018 £	2017 £
Interest paid on overdraft facility	-	(376)	-	-
Bank Interest	(363)	-	-	-
	<b>(363)</b>	<b>(376)</b>	<b>-</b>	<b>-</b>

**19. Taxation**

Tax recognised in profit or loss	Group		Company	
	2018 £	2017 £	2018 £	2017 £
Current tax credit	75,053	99,702	-	-
Deferred tax	-	-	-	-
<b>Net tax credit</b>	<b>75,053</b>	<b>99,702</b>	<b>-</b>	<b>-</b>

The tax on the Group's loss before taxation differs from the theoretical amount that would arise using the weighted average tax rate applicable to the losses of the consolidated entities as follows:

	Group		Company	
	2018 £	2017 £	2018 £	2017 £
Loss before tax	(503,655)	(165,091)	(106,032)	(69,803)
Tax at the applicable rate of 19% (2017: 19%)	(95,694)	(31,367)	(20,146)	(13,263)
Expenditure not deductible for tax purposes	20,065	12,895	-	-
Capital allowances	(20,820)	(47,506)	-	-
R&D Tax credit	75,053	99,702	-	-
Adjustments in respect of prior periods	-	-	-	-
Net tax effect of losses carried forward	96,449	65,978	20,146	13,263
Tax credit	75,053	99,702	-	-

## SPORT:80 PLC

### NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2018

No charge to taxation arises due to the losses incurred.

The Group has tax losses of approximately £410,142 (2017: £238,640) available to carry forward against future taxable profits. The Company has tax losses of approximately £59,758 (2017: £39,612) available to carry forward against future taxable profits. A deferred tax asset has not been recognised because of uncertainty over future taxable profits against which the losses may be utilised.

#### 20. Earnings per Share

The calculation of the total basic earnings per share of 0.222 pence (2017: 0.039 pence) is based on the loss attributable to equity owners of the parent company of £431,102 (2017: £65,389) and on the weighted average number of ordinary shares of 194,302,091 (2017: 169,681,331) in issue during the period. Diluted earnings per share is not disclosed as the Group has no convertible securities.

#### 21. Commitments

##### *Operating lease commitments*

The Group leases office premises under a non-cancellable operating lease agreement on a fixed 36-month term. The lease expenditure charged to the income statement during the year is disclosed in Note 6.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

Group	2018 £	2017 £
Not later than one year	11,500	4,200
Later than one year but not later than five years	8,625	-
Total lease commitment	20,125	4,200

#### 22. Related Party Transactions

##### **Loan from Sport:80 plc to Sport:80 Services Limited**

As at 31 December 2018 there were amounts receivable of £1,161,262 (2017: £826,262) from Sport:80 Services Limited. No interest was charged on the loans.

##### **Loan from Sport:80 plc to Sport:80 Systems Limited**

As at 31 December 2018 there were amounts receivable of £178 (2017: £172) from Sport:80 Systems Limited. No interest was charged on the loans.

##### **Loan from Sport:80 Services Limited to Sport:80 USA Inc**

As at 31 December 2018 there were amounts receivable of £7,259 (2017: £15,474) from Sport:80 USA Inc. No interest was charged on the loans.

All intra Group transactions are eliminated on consolidation.

##### **Other Transactions**

During the year the Group received cash payments from Gary Hargraves of £12,417 (2017: £1,000). The balance outstanding at year-end was £29,763 (2017: £41,910).

##### **Key management personnel**

The Directors consider themselves to be the only key management personnel. Details of their remuneration is given in Note 17.

**SPORT:80 PLC**

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 December 2018**

**23. Ultimate Controlling Party**

The Directors believe there to be no ultimate controlling party.

**24. Events After Balance Sheet Date**

On 27 January 2019, Simon Clegg was appointed as a Director of the Company.