

Registered number: 08798940

SPORT:80 LIMITED

**UNAUDITED ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2021**



SPORT:80 LIMITED

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SPORT:80 LIMITED

COMPANY INFORMATION

Directors	Gary Hargraves (Executive Director) Garth Palmer (Director) Simon Clegg (Director)
Company Secretary	Westend Corporate LLP
Registered Office	Unit 3, Neepsend Triangle Business Centre 1 Burton Road Sheffield S3 8BW United Kingdom
Company Number	08798940
Bankers	HSBC Bank plc 70 Pall Mall London SW1Y 5EZ
Solicitors	Hill Dickinson LLP The Broadgate Tower 20 Primrose Street London EC2A 2EW

SPORT:80 LIMITED

GROUP STRATEGIC REPORT

The Directors of Sport:80 Limited (the "Company") and its subsidiary undertakings (which together comprise the "Group") present their Strategic Report on the Group for the year ended 31 December 2021.

Strategic approach

The Group's aim is to create value for shareholders through the provision of sports technology products and 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 sales, event registrations, merchandising, aggregation and analysis of data and premium content sales.

The core service offered by the Group is sports technology being the licencing of the Group's Platform to various sporting organisations, with a focus initially on International and National federations. In 2021, 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. The Group was able to onboard multiple new clients and increase its user records substantially despite the continuing adverse impact from COVID-19 on the sports industry.

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.

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.

COVID-19

The outbreak of the COVID-19 pandemic in 2020 resulted in business disruption, however the Group implemented extensive business continuity procedures and contingency arrangements to ensure it was able to continue to operate.

Financial performance review

The profit of the Group for the year ended 31 December 2021 after taxation amounted to £201,507 (year ended 31 December 2020: 245,227).

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 2022.

SPORT:80 LIMITED

GROUP STRATEGIC REPORT

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

	2021	2020
Cash and cash equivalents	£225,548	£127,281
Revenue	£1,309,841	£1,019,250
Gross margin	67.5%	64.0%

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 11).

The Group Strategic Report was approved by the Board on 7 April 2022.



Gary Hargraves
Director

SPORT:80 LIMITED

DIRECTORS' REPORT

The Directors present their Report, together with the Group Financial Statements, for the year ended 31 December 2021.

Principal Activity

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

Dividends

The Directors do not recommend the payment of a dividend for the year (year ended 31 December 2020: £nil).

Directors & Directors' Interests

The Directors who served during the year ended 31 December 2021 had the following beneficial interests in the shares of the Company:

	31 December 2021		31 December 2020	
	Ordinary Shares	Options	Ordinary Shares	Options
Gary Hargraves	90,785,000	nil	82,785,000	nil
Garth Palmer	10,500,000	nil	10,500,000	nil
Simon Clegg	nil	nil	nil	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 remain in force at the date of this report.

Events after the Reporting Date

Events after the reporting date are set out in Note 21 to the Financial Statements.

This report was approved by the Board on 7 April 2022 and signed on its behalf by:


Gary Hargraves
Director

SPORT:80 LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 Group and Company Financial Statements in accordance with International Financial Reporting Standards (IFRSs) in conformity with the requirements of the Companies Act 2006. 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 Company, 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 in conformity with the requirements of the Companies Act 2006 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and Company, 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 LIMITED

STATEMENTS OF FINANCIAL POSITION
As at 31 December 2021

Company number: 08798940

		Group		Company	
	Note	2021 £	2020 £	2021 £	2020 £
Non-Current Assets					
Property, plant and equipment	6	176,808	170,224	-	-
Intangible assets	7	1,034,678	930,246	-	-
Investment in subsidiaries	8	-	-	1,541,674	1,624,678
		1,211,486	1,100,470	1,541,674	1,624,678
Current Assets					
Trade and other receivables	9	72,731	83,678	-	-
Cash and cash equivalents	10	225,548	127,281	101,341	105,721
		298,279	210,959	101,341	105,721
Total Assets		1,509,765	1,311,429	1,643,015	1,730,399
Non-Current Liabilities					
Borrowings	12	35,211	44,619	35,211	44,619
Finance lease liabilities	13	20,543	44,534	-	-
		55,754	89,153	35,211	44,619
Current Liabilities					
Borrowings	12	9,408	5,381	9,408	5,381
Finance lease liabilities	13	23,991	23,283	-	-
Trade and other payables	11	129,835	109,968	5,864	15,954
		163,234	138,632	15,272	21,335
Total Liabilities		218,988	227,785	50,483	65,954
Net Assets		1,290,777	1,083,644	1,592,532	1,664,445
Equity attributable to owners of the Parent					
Ordinary shares	14	522,716	522,716	522,716	522,716
Share premium	14	1,435,093	1,435,093	1,435,093	1,435,093
Other reserves	15	(212,845)	(218,471)	-	-
Retained earnings		(454,187)	(655,694)	(365,277)	(293,364)
Total Equity		1,290,777	1,083,644	1,592,532	1,664,445

For the period ending 31 December 2021, the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476;
- The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The Financial Statements were approved and authorised for issue by the Board on 7 April 2022 and were signed on its behalf by:



Gary Hargraves
Director

The Notes on pages 12 to 27 form part of these Financial Statements.

SPORT:80 LIMITED

STATEMENTS OF COMPREHENSIVE INCOME For the year ended 31 December 2021

		Group	
		Year ended 31 December 2021	Year ended 31 December 2020
		£	£
Continuing Operations	Note		
Revenue		1,309,841	1,019,250
Cost of sales		(425,459)	(366,500)
Gross profit		884,382	652,750
Administrative expenses	5	(794,160)	(499,107)
Other net gains		5,604	393
Finance costs	17	(2,548)	(522)
Profit before taxation		93,278	153,514
Taxation	18	108,229	91,713
Profit attributable to:			
Owners of the parent		201,507	245,227
Other comprehensive income:			
Items that may be reclassified to profit or loss		5,626	579
Total comprehensive income attributable to owners of the Parent		207,133	245,806

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 2021 was £71,913 (year ended 31 December 2020: profit of £82,331).

The Notes on pages 12 to 27 form part of these Financial Statements.

SPORT:80 LIMITED

GROUP STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended 31 December 2021

	Attributable to Owners of the Parent				
	Ordinary shares £	Share premium £	Other reserves £	Retained losses £	Total equity £
As at 1 January 2020	516,466	1,341,343	(219,050)	(900,921)	737,838
Profit for the year	-	-	-	245,227	245,227
Other comprehensive income for the year					
Items that may be subsequently reclassified to profit or loss					
Currency translation differences	-	-	579	-	579
Total comprehensive income for the year	-	-	579	245,227	245,806
Transactions with owners					
Issue of ordinary shares	6,250	93,750	-	-	100,000
Total transactions with owners	6,250	93,750	-	-	100,000
As at 31 December 2020	522,716	1,435,093	(218,471)	(655,694)	1,083,644
As at 1 January 2021	522,716	1,435,093	(218,471)	(655,694)	1,083,644
Profit for the year	-	-	-	201,507	201,507
Other comprehensive income for the year					
Items that may be subsequently reclassified to profit or loss					
Currency translation differences	-	-	5,626	-	5,626
Total comprehensive income for the year	-	-	5,626	201,507	207,133
As at 31 December 2021	522,716	1,435,093	(212,845)	(454,187)	1,290,777

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) on 17 December 2014 was accounted for as a merger.

The Notes on pages 12 to 27 form part of these Financial Statements.

SPORT:80 LIMITED

COMPANY STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
For the year ended 31 December 2021

	Ordinary shares £	Share premium £	Retained losses £	Total equity £
As at 1 January 2020	516,466	1,341,343	(375,695)	1,482,114
Loss for the year	-	-	82,331	82,331
Total comprehensive income for the period	-	-	82,331	82,331
Transactions with owners				
Issue of ordinary shares	6,250	93,750	-	100,000
Total transactions with owners	6,250	93,750	-	100,000
As at 31 December 2020	522,716	1,435,093	(293,364)	1,664,445
As at 1 January 2021	522,716	1,435,093	(293,364)	1,664,445
Loss for the year	-	-	(71,913)	(71,913)
Total comprehensive income for the period	-	-	(71,913)	(71,913)
As at 31 December 2021	522,716	1,435,093	(365,277)	(1,592,532)

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 12 to 27 form part of these Financial Statements.

SPORT:80 LIMITED
STATEMENTS OF CASHFLOWS
For the year ended 31 December 2021

	Note	Group		Company	
		2021	2020	2021	2020
		£	£	£	£
Cash flows from operating activities					
Profit/(loss) before taxation		93,278	153,514	(71,913)	82,329
Adjustments for:					
Depreciation & amortisation		399,238	306,375	-	-
Net finance income/(costs)		2,548	522	831	-
(Increase)/decrease in trade and other receivables		121,150	109,095	-	-
Decrease in trade and other payables		(91,911)	(120,311)	(9,914)	(10)
Other non-cash adjustments		-	-	-	1,000
Corporation tax		108,229	91,713	80,000	-
Net cash generated from operating activities		632,532	540,908	(996)	83,319
Cash flows from investing activities					
Purchase of property, plant & equipment		(65,166)	(90,532)	-	-
Purchase of intangibles		(445,098)	(493,207)	-	-
Loans granted to subsidiary undertakings		-	-	(3,069)	(130,000)
Net cash used in investing activities		(510,264)	(583,739)	(3,069)	(130,000)
Cash flows from financing activities					
Proceeds from issue of shares		-	100,000	-	100,000
Proceeds from borrowings		-	50,000	5,897	52,012
Repayment of borrowings		(28,664)	(3,822)	(5,381)	-
Interest paid		(2,548)	(522)	(831)	-
Net cash generated in financing activities		(31,212)	145,656	(315)	152,012
Net increase / (decrease) in cash and cash equivalents		91,056	102,825	(4,380)	105,331
Cash and cash equivalents at beginning of period		127,281	24,685	105,721	389
Foreign Exchange		7,211	(229)	-	1
Cash and cash equivalents at end of year	10	225,548	127,281	101,341	105,721

The Notes on pages 12 to 27 form part of these Financial Statements.

SPORT:80 LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2021

ACCOUNTING POLICIES

1. General Information

The principal activity of Sport:80 Limited ("the Company") and its subsidiaries (together "the Group") is the provision of sports technology 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 ('IFRS') and IFRIC Interpretations Committee ('IFRIC IC') in conformity with the requirements of the Companies Act 2006. The Financial Statements have also 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) New and amended standards mandatory for the first time for the financial periods beginning on or after 1 January 2021.

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 2021 but did not result in any material changes to the financial statements of the Group or Company.

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

Standards, amendments and interpretations that are not yet effective and have not been early adopted are as follows:

Standard	Impact on initial application	Effective date
IFRS 3	Reference to Conceptual Framework	1 January 2022
IAS 37	Onerous contracts	1 January 2022
IAS 16	Proceeds before intended use	1 January 2022
Annual improvements	2018-2020 Cycle	1 January 2022
IFRS 17	Insurance contracts	1 January 2023
IAS 8	Accounting estimates	1 January 2023
IAS 1	Classification of Liabilities as Current or Non-Current.	1 January 2023

The Group is evaluating the impact of the new and amended standards above which are not expected to have a material impact on future Group financial statements.

2.3 Basis of Consolidation

The Group Financial Statements consolidate the Financial Statements of the Company and its subsidiaries made up to 31 December 2021.

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

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.

The Group has three types of revenue streams, the Platform, Campaign Manager 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 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 the Platform and sports consultancy services.

2.7 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.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

(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.

2.8 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;
- 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.

2.9 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.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

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.

2.10 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.

2.11 Financial Assets

(i) Classification

The Group classifies its financial assets at amortised cost and at fair value through the profit or loss. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(ii) Recognition and measurement

Amortised cost

Regular purchases and sales of financial assets are recognised on the trade date at cost – the date on which the Group commits to purchasing or selling the asset. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred, and the Group has transferred substantially all of the risks and rewards of ownership.

Fair value through the profit or loss

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. The Group holds equity instruments that are classified as FVTPL as these were acquired principally for the purpose of selling in the near term.

Financial assets at FTVPL, are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. Fair value is determined by using market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the 'fair value hierarchy'):

- Level 1: Quoted prices in active markets for identical items (unadjusted)
- Level 2: Observable direct or indirect inputs other than Level 1 inputs
- Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

The Group measures its investments in quoted shares using the quoted market price.

(iii) Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables (not subject to provisional pricing) and other receivables due in less than 12 months, the Group applies the simplified approach in calculating ECLs, as permitted by IFRS 9. Therefore, the Group does not track changes in credit risk, but instead, recognises a loss allowance based on the financial asset's lifetime ECL at each reporting date.

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NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2021

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows and usually occurs when past due for more than one year and not subject to enforcement activity.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

(iv) Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. This is the same treatment for a financial asset measured at FVTPL.

2.12 Cash and Cash Equivalents

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

2.13 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.

2.14 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.

2.15 Financial Liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables and loans.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective

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NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2021

hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss and other comprehensive income.

Trade and other payables

After initial recognition, trade and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit or loss and other comprehensive income when the liabilities are derecognised, as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss and other comprehensive income.

Derecognition

A financial liability is derecognised when the associated obligation is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss and other comprehensive income.

Liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through profit and loss or other liabilities, as appropriate.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Financial liabilities included in trade and other payables are recognised initially at fair value and subsequently at amortised cost.

2.16 Leases

Assets and liabilities arising from a lease are initially measured on a present value basis within the scope of IFRS 16. Lease liabilities include the net present value of the following lease payments:

- Fixed payments, less any lease incentives receivable;
- Variable lease payment that are based on an index or a rate, initially measured using the index or the rate as at the commencement date;
- The exercise price of a purchase option; and
- Payment of penalties for terminating the lease.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Assets obtained under finance leases are depreciated over their useful lives are shown in Note 6. The lease liabilities are shown in note 12.

Rent payable under operating leases on which the short term exemption has been taken, less any lease incentives received, is charged to the income statement on a straight-line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

2.17 Borrowings

Bank and Other Borrowings

Interest-bearing bank loans and overdrafts and other loans are recognised initially at fair value less attributable transaction costs. All borrowings are subsequently stated at amortised cost with the difference between initial net proceeds and redemption value recognised in the Income Statement over the period to redemption on an effective interest basis.

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 one bank loan with low interest rate and IFRS 16 leases so it is exposed to interest rate risk on financial liabilities however these amounts are 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 had a debt of £44,619 as at 31 December 2021 (2020: £50,000) and defines capital based on the total equity of the Company being £1,592,532. 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 2021

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 £445,098 (2020: £493,207) 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. Intangible assets are shown in note 7.

The carrying value for intangible assets is £1,034,678 (2020: 930,246). 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 £51,734 (31 December 2020: £46,689).

5. Expenses by Nature

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Employee salaries & related expenses	338,392	235,113	-	-
Defined pension contribution plan	23,872	13,225	-	-
Advertising & marketing expenses	53,094	9,233	-	-
Consultancy & professional fees	133,609	118,813	-	-
Insurance	23,000	11,629	-	-
Office related expenses including printing, postage and telephone	31,459	3,171	797	-
Depreciation	58,572	21,155	-	-
Travel and entertainment	75,782	65,005	-	-
Other expenses	56,380	21,763	106	159
Total administrative expenses	794,160	499,107	903	159

SPORT:80 LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

6. Property, Plant and Equipment

	Group				
	Computer equipment £	Office equipment £	Buildings £	Right of use asset £	Total £
Cost					
As at 1 January 2020	61,565	22,395	6,917	-	90,877
Additions	27,555	14,520	48,457	71,639	162,171
Disposals	-	-	-	-	-
Foreign Exchange	-	(29)	-	-	(29)
As at 31 December 2020	89,120	36,886	55,374	71,639	253,019
Additions	17,413	20,592	27,161	-	65,166
Disposals	-	-	-	-	-
Foreign Exchange	(1)	(15)	-	-	(16)
As at 31 December 2021	106,532	57,463	82,535	71,639	318,169
Depreciation					
As at 1 January 2020	39,230	17,068	1,382	-	57,680
Charge for the year	12,943	7,127	1,074	3,980	25,124
Disposals	-	-	-	-	-
Foreign Exchange	-	(9)	-	-	(9)
As at 31 December 2020	52,173	24,186	2,456	3,980	82,795
Charge for the year	16,011	12,661	28,182	1,717	58,571
Disposals	-	-	-	-	-
Foreign Exchange	-	(5)	-	-	(5)
As at 31 December 2021	68,184	36,842	30,638	5,697	141,361
Net book value as at 31 December 2020	36,947	12,700	52,918	67,659	170,224
Net book value as at 31 December 2021	38,348	20,621	51,897	65,942	176,808

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NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2021

7. Intangible Assets

	Group			Company
	Intellectual property £	Platform development £	Total £	Intellectual property £
Cost				
As at 1 January 2020	202,400	1,410,446	1,612,846	195,400
Additions	-	493,207	493,207	-
As at 31 December 2020	202,400	1,903,653	2,106,053	195,400
Additions	-	445,098	445,098	-
As at 31 December 2021	202,400	2,348,751	2,551,151	195,400
Amortisation				
As at 1 January 2020	202,400	692,156	894,556	195,400
Charge for the year	-	281,251	281,251	-
As at 31 December 2020	202,400	973,407	1,175,807	195,400
Charge for the year	-	340,666	340,666	-
As at 31 December 2021	202,400	1,314,073	1,516,473	195,400
Net book value as at 31 December 2020	-	930,246	930,246	-
Net book value as at 31 December 2021	-	1,034,678	1,034,678	-

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

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% (2020: 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.

8. Investments in Subsidiary Undertakings

	Company	
	2021 £	2020 £
Shares in Group Undertakings		
At start of period - 1 January	215,250	216,250
Deregistration of Sport:80 Systems Limited	-	(1,000)
Incorporation of Neepsend Limited	1	-
At 31 December	215,251	215,250
Loans to Group undertakings	1,326,423	1,409,428
Total	1,541,674	1,624,678

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NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2021

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	England	Sport:80 Limited	Ordinary shares	100%	Sports technology
Sport:80 USA, Inc	United States of America	Sport:80 Limited	-	100%	Sports technology
Neepsend Limited	Ireland	Sport:80 Limited	-	100%	Sports technology

9. Trade and Other Receivables

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Trade receivables	59,882	78,362	-	-
Prepayments	3,342	4,810	-	-
Other receivables	9,507	506	-	-
	72,731	83,678	-	-

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. As at 31 December 2021 £37,440.73 (2020 £78,795) 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 an 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	
	2021	2020	2021	2020
	£	£	£	£
UK Pounds	34,007	42,455	-	-
US Dollars	36,164	41,223	-	-
Euros	2,560	-	-	-
	72,731	83,678	-	-

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.

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NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2021

10. Cash and Cash Equivalents

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Cash at bank and in hand	225,548	127,281	101,341	105,721

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	
	2021	2020	2021	2020
	£	£	£	£
UK Pounds	181,805	34,023	101,341	105,721
US Dollars	40,272	93,258	-	-
Euros	3,471	-	-	-
	225,548	127,281	101,341	105,721

11. Trade and Other Payables

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Trade payables	31,412	76,924	-	-
Accrued expenses	64,047	16,062	5,000	15,000
Other payables	34,376	16,982	864	954
	129,835	109,968	5,864	15,954

All payables are due within 30 days.

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

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
UK Pounds	106,863	105,272	5,864	15,954
US Dollars	22,069	4,696	-	-
Euros	903	-	-	-
	129,835	109,968	5,864	15,954

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NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2021

12. Borrowings

	Consolidated		Company	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	£	£	£	£
Non-current liabilities				
Bank Loan	35,211	44,619	35,211	44,619
	35,211	44,619	35,211	44,619
Current liabilities				
Bank Loan	9,408	5,381	9,408	5,381
	9,408	5,381	9,408	5,381

The loan was entered into by Sport:80 Limited in May 2020 as an unsecured loan with interest charged at 2.5%.

The carrying amounts and fair value of the non-current borrowings are:

	Carrying amount and fair value	
	31 December 2021	31 December 2020
	£	£
Bank Loan	44,619	50,000
	44,619	50,000

13. Finance lease liabilities

	Consolidated		Company	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	£	£	£	£
Non-current liabilities				
Finance lease liabilities	20,543	44,534	-	-
	20,543	44,534	-	-
Current liabilities				
Finance lease liabilities	23,991	23,283	-	-
	23,991	23,283	-	-

Finance Lease Liabilities

Lease liabilities are effectively secured, as the rights to the leased asset revert to the lessor in the event of default.

	Consolidated	
	31 December 2021	31 December 2020
	£	£
Finance lease liabilities – minimum lease payments		
Not later than one year	23,991	23,283
Later than one year and no later than five years	20,543	44,534
Later than five years	-	-
	44,534	67,817
Future finance charges on finance lease liabilities	1,292	3,008
Present value of finance lease liabilities	45,826	70,825

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NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2021

For the year ended 31 December 2021, the total finance charges were £1,717.

The contracted and planned lease commitments were discounted using a weighted average incremental borrowing rate of 3%.

The present value of finance lease liabilities is as follows:

	Consolidated	
	31 December 2021	31 December 2020
	£	£
Not later than one year	24,711	23,981
Later than one year and no later than five years	21,159	45,870
Later than five years	-	-
Present value of finance lease liabilities	45,870	69,851

14. Share Capital

Issued share capital

Group	Number of shares	Ordinary shares £	Share premium £	Total £
At 1 January 2020	206,587,156	516,466	1,341,343	1,857,809
Issue of new shares – 13 March 2020	2,500,000	6,250	93,750	100,000
At 31 December 2020	209,087,156	522,716	1,435,093	1,957,809
At 31 December 2021	209,087,156	522,716	1,435,093	1,957,809

Company	Number of shares	Ordinary shares £	Share premium £	Total £
At 1 January 2020	206,587,156	516,466	1,341,343	1,857,809
Issue of new shares – 13 March 2020	2,500,000	6,250	93,750	100,000
At 31 December 2020	209,087,156	522,716	1,435,093	1,957,809
At 31 December 2021	209,087,156	522,716	1,435,093	1,957,809

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NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2021

15. Other Reserves

	Group		Company	
	2021 £	2020 £	2021 £	2020 £
Merger reserve	215,150	215,150	-	-
Foreign currency translation reserve	(2,305)	3,321	-	-
	212,845	218,471	-	-

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 and Directors' Remuneration

	Group	
	2021 £	2020 £
Staff costs (including Directors)		
Salaries and wages	717,874	611,232
	717,874	611,232

The average monthly number of employees during the year was 15 (2020: 11).

Of the above staff costs, £362,309 (2020: £366,231) has been capitalised in accordance with IAS 38 as research & development related costs and are shown as an intangible addition in the year.

17. Finance Costs

	Group		Company	
	2021 £	2020 £	2021 £	2020 £
Interest expense	831	-	831	-
Interest on IFRS 16 Leases	1,717	522	-	-
	2,548	522	831	-

18. Taxation

Tax recognised in profit or loss	Group		Company	
	2021 £	2020 £	2021 £	2020 £
Current tax credit	108,229	91,713	-	-
Deferred tax	-	-	-	-
Net tax credit	108,229	91,713	-	-

SPORT:80 LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2021

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	
	2021	2020	2021	2020
	£	£	£	£
Profit/(loss) before tax	93,278	153,514	(71,913)	82,329
Tax at the applicable rate of 19% (2020: 19%)	17,723	29,169	(13,663)	15,643
Expenditure not deductible for tax purposes	80,783	60,301	-	-
Capital allowances	(21,095)	(52,697)	-	-
Adjustments in respect of prior periods	-	-	-	-
Net tax effect of losses carried forward	30,818	54,940	13,663	(15,643)
Tax credit	108,229	91,713	-	-

No charge to taxation arises due to the losses incurred.

The Group has tax losses of approximately £185,221 (2020: £154,403) available to carry forward against future taxable profits. The Company has tax losses of approximately £60,238 (2020: £46,575) 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.

19. Related Party Transactions

Loan from Sport:80 Limited to Sport:80 Services Limited

As at 31 December 2021 there were amounts receivable of £1,326,423 (2020: £1,409,250) from Sport:80 Services Limited. No interest was charged on the loans. The balance outstanding at year-end was £1,326,423 (2020: £1,409,250). All intra Group transactions are eliminated on consolidation.

Other Transactions

Zeus International Management (Middle East) FZ LLE, a private company of which Simon Clegg is a director, invoiced a fee of £15,070 (2020: 12,000) for the provision of consulting services to the Group. The balance outstanding at year-end was £2,000.

Westend Corporate LLP, a limited liability partnership of which Garth Palmer was a partner but resigned effective 31 August 2021, invoiced a total fee of £16,379 (2020: £24,094) for consulting services to the Group.

20. Ultimate Controlling Party

The Directors believe there to be no ultimate controlling party.

21. Events After Balance Sheet Date

There have been no significant events after the balance sheet date.