COMPANY REGISTRATION NO.

9676399

DAZN LIMITED (FORMERLY PERFORM INVESTMENT LIMITED)

ANNUAL REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2018

DAZN LIMITED (FORMERLY PERFORM INVESTMENT LIMITED)

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

CONTENTS

DAZN LIMITED (FORMERLY PERFORM INVESTMENT LIMITED)

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Jacopo Tonoli
John Gleasure

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DAZN LIMITED (FORMERLY PERFORM INVESTMENT LIMITED)

STRATEGIC REPORT

The Directors, in preparing this Strategic Report, have complied with s414C of the Companies Act 2006.

Principal activities

The principal activity of DAZN Limited (formerly Perform Investment Limited) (the "Company") is the utilisation and commercialisation of sports rights, content and services primarily on its direct-to-consumer Over The Top ("OTT") media platform 'DAZN'.

Business review

In response to rapid changes in the consumption of sports and media content (for example, the shift from analogue and pay TV platforms to a range of digital devices, including smartphones, tablets and smart TVs) and increasing consumer demand for streamed sporting content, the DAZN Group launched its direct-to-consumer media subscription platform 'DAZN' in August 2016. During 2016 the Group launched DAZN in Germany, Switzerland, Austria ("DACH") and Japan. In August 2017 DAZN was subsequently launched in Canada, Italy in August 2018 and the USA in September 2018. Post year end DAZN has been launched in Spain in February 2019 and Brazil in May 2019.

Financial review

Revenue for the year to 31 December 2018 was £212.1 million (2017: £90.8 million) reflecting increased trading year on year. This has been driven by the launch of new markets in Italy and USA, Canada completing a first full year of activity following its launch in 2017, and the continued growth and establishment of existing market offerings in DACH and Japan.

Loss after tax for the year to 31 December 2018 was £520.1 million (2017: £259.6 million) reflecting the continued investment during the launch phase of the DAZN platform, including new launch markets in Italy and the USA. This was driven by an increase in rights expenses to £223.5 million (2017: £102.1 million) further supplemented by increases in marketing expenses, staff expenses and expenses recharged from subsidiary operations providing regional services in relation to the DAZN platform.

The Company had cash balances of £101.9 million (2017: £143.8 million) at the year end and net current assets of £540.7 million (2017 net current liabilities: £207.4 million). The improvement in the net current asset position is as a result of the conversion of the £535.3 million of borrowings and associated accrued interest from Access Industries into share capital in DAZN Group Limited (formerly DAZN Group Limited (formerly Perform Group Limited); the smallest parent undertaking for which consolidated financial statements are drawn up and of which the Company is a member. These balances now form part of the non-current borrowings due from other group undertakings.

Principal risks and uncertainties

The Directors believe that the Company's continuing success in creating value for its digital rights, it's broad product offering, the length and nature of existing contracts and its international customer base will protect future revenues.

In order to deliver and expand its range of services the Company needs to invest continuously in software development and technical hardware. This investment ensures that the Group remains able to provide an innovative, scalable technical platform and to deliver new and improved products to the market and its customers. The Company plans to maintain this investment to deliver new products and services, particularly across mobile devices.

The licensing of sports rights is critical to the success of the business. Such rights are usually licensed for periods of between three to five years. In some instances, rights are acquired for periods longer than the relevant revenue contracts.

The Directors monitor the level of this contract exposure and endeavour, wherever possible, to progress revenue contract renewal negotiations well before the contracts are due to terminate, thus limiting the financial risk of such exposure. Revenue contracts are also worded to ensure rights may be replaced with rights of similar value if a rights renewal is unsuccessful during the period of the relevant contract.

While global economic conditions impact the sports industry, they have not been, and are not anticipated to be, as affected by the economic conditions as have many other sectors and thereby such conditions have not, to date, had a detrimental effect on the Company's operations and revenue. The Directors believe that the Company's success in creating value for its customers' digital rights, the length and nature of its existing contracts and its international customer base will limit any material effect that potentially detrimental global economic conditions may have on its revenue over the medium term.

STRATEGIC REPORT (CONTINUED)

Principal risks and uncertainties (continued)

The United Kingdom ("UK") held a referendum on 23 June 2016 to determine whether they should leave the European Union ("EU"). The outcome was in favour of leaving (known as "Brexit").

The UK is due to leave the EU on 31 October 2019. Until the UK officially exits the EU, EU laws and regulations will continue to apply. There remains uncertainty as to how long it will take to negotiate a withdrawal agreement and what the terms of this agreement will be. Due to the size and importance of the UK economy, and the uncertainty and unpredictability concerning the UK's legal, political and economic relationship with Europe after they exit, there may continue to be instability in the market, significant currency fluctuations, and/or otherwise adverse effects on trading agreements or similar cross-border cooperation arrangements for the foreseeable future, including beyond the date that the United Kingdom ceases to be a Member State.

In addition, the outcome of Brexit negotiations surrounding free movement of EU and UK nationals and any subsequent visa requirements may have an adverse effect on EU nationals' ability to work in the United Kingdom.

Any of these factors or other events or consequences from Brexit described above may have a material adverse effect on our prospects, business, results of operations and financial condition.

Financial risk management objectives and policies

The Company uses various financial instruments which include cash, trade debtors, trade creditors and amounts due to/from Group undertakings that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Company's operations. The existence of these financial instruments exposes the company to a number of financial risks, which are described in more detail below.

The main risks arising from the Company's financial instruments are liquidity risk and credit risk. The Directors review and agree policies for managing each of these risks and they are summarised below.

Liquidity risk

The Company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The Company's policy throughout the year has been to achieve this objective through management's day-to-day involvement in business decisions rather than through setting maximum or minimum liquidity ratios.

Credit risk

The Company's principal financial assets are cash, prepayments and intercompany debtors.

The credit risk associated with cash is limited as the counterparties have high credit ratings assigned by international credit-rating agencies. The principal credit risk arises, therefore, from intercompany debtors. Group management performs Group cash flow projections on a regular basis to assess whether companies of the Group are able to repay balances.

Future developments

The Directors expect the general level of activity to continue to increase in the forthcoming year as the investment in Italy, the USA, Spain and Brazil continues, as well as the ongoing assessment and identification of new geographical markets to enter.

Events after the balance sheet date

Details of significant events since the balance sheet date are contained in note 18 to the financial statements.

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

James Rushton

Director

30 September 2019

DAZN LIMITED (FORMERLY PERFORM INVESTMENT LIMITED)

DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements of the Company for the year ended 31 December 2018.

Going concern

The financial statements have been prepared using the going concern basis of accounting. Refer to the accounting policies on page 11 for further discussion.

Directors

The Directors, who served throughout the year and until the date of this report were as follows:

James Rushton;
Simon Denyer, appointed as Director on 6 June 2019;
Jacopo Tonoli, appointed as Director on 26 June 2019;
John Gleasure, appointed as Director on 8 July 2019;
Ashley Milton, resigned as Director on 28 January 2019;
Paul Morton, appointed as Director on 28 January 2019, resigned as Director on 13 June 2019.

Dividend

The Directors do not recommend the payment of a dividend in respect of 2018 (2017: £nil).

Future developments, financial risk management objectives and policies and events after the balance sheet date

Details of future developments, financial risk management objectives and policies and events that have occurred after the balance sheet date can be found in the Strategic Report and form part of this report by cross-reference.

Auditor

Each of the persons who is a Director at the date of approval of this report confirms that:

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

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The Company has appointed Deloitte LLP as statutory auditor during the period. Deloitte LLP has expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

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

James Rushton
Director
30 September 2019

DAZN LIMITED (FORMERLY PERFORM INVESTMENT LIMITED)

DIRECTORS' RESPONSIBILITIES STATEMENT

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 Reduced Disclosure Framework. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DAZN LIMITED (FORMERLY PERFORM INVESTMENT LIMITED)

Report on the audit of the financial statements

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of DAZN Limited (formerly Perform Investment Limited) (the 'company') which comprise:

- the income statement;
- the statement of financial position;
- the statement of changes in equity;
- the statement of accounting policies; and
- the related notes 1 to 20.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

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

We have nothing to report in respect of these matters.

Other information

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

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

We have nothing to report in respect of these matters.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DAZN LIMITED (FORMERLY PERFORM INVESTMENT LIMITED) (CONTINUED)

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Report on other legal and regulatory requirements

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.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

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.

Andy Siddorns

Andy Siddorns (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
30 September 2019

DAZN LIMITED (FORMERLY PERFORM INVESTMENT LIMITED)

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £'000	2017 £'000
All results relate to continuing operations			
Revenue	2	212,093	90,801
Cost of sales		(333,604)	(165,690)
Gross loss		(121,511)	(74,889)
Administrative expenses		(313,486)	(147,583)
Operating loss		(434,997)	(222,472)
Finance income	3	910	1,131
Finance costs	4	(86,423)	(38,038)
Loss before taxation	5	(520,510)	(259,379)
Taxation credit / (charge)	7	440	(208)
Loss for the year		(520,070)	(259,587)

There were no other gains or losses during the year other than those set out in the income statement above and hence no statement of other comprehensive income has been presented.

DAZN LIMITED (FORMERLY PERFORM INVESTMENT LIMITED)

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Notes	2018 £'000	2017 £'000
Non-current assets			
Intangible assets	8	**46,466**	20,837
Property, plant and equipment	9	**13,403**	10,551
Investments in subsidiaries	10	**33**	-
		59,902	31,388
Current assets			
Trade and other receivables	11	**78,258**	78,848
Prepayments	12	**509,783**	210,921
Cash and cash equivalents		**101,938**	143,798
		689,979	433,567
Total assets		**749,881**	464,955
Current liabilities			
Trade and other payables	13	**(149,257)**	(105,693)
Current borrowings	14	**-**	(535,282)
		(149,257)	(640,975)
Net current assets/(liabilities)		**540,722**	(207,408)
Non-current liabilities			
Non-current borrowings	14	**(1,464,349)**	(167,634)
Total liabilities		**(1,613,606)**	(808,610)
Net liabilities		**(863,725)**	(343,655)
Equity			
Called-up share capital	15	**-**	-
Accumulated deficit		**(863,725)**	(343,655)
Total deficit		**(863,725)**	(343,655)

The financial statements of DAZN Limited (formerly Perform Investment Limited), registered number 9676399, were approved and authorised for issue by the Board of Directors on 30 September 2019.

Signed on behalf of the Board of Directors

James Rushton

Director

DAZN LIMITED (FORMERLY PERFORM INVESTMENT LIMITED)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	Called-up share capital £'000	Accumulated Deficit £'000	Total deficit £'000
At 1 January 2017	-	(84,068)	(84,068)
Total comprehensive loss for the year	-	(259,587)	(259,587)
At 31 December 2017	-	(343,655)	(343,655)
Total comprehensive loss for the year	-	**(520,070)**	**(520,070)**
At 31 December 2018	-	**(863,725)**	**(863,725)**

1. Accounting policies

DAZN Limited (formerly Perform Investment Limited) is a company incorporated in the United Kingdom on 8 July 2015 under the Companies Act 2006. The Company is a public Company limited by shares and is registered in England and Wales.

The address of the registered office is Hanover House, Plane Tree Crescent, Feltham, Middlesex TW13 7BZ. The nature of the Company's operations and its principal activities are set out in the Strategic Report.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates. Foreign operations are included in accordance with the policies set out below.

Basis of preparation

The Company's accounts present information about it as an individual undertaking and not as a group. The Company has taken advantage of the exemption offered by section 400 of the Companies Act 2006 not to produce consolidated financial statements as it is a wholly owned subsidiary of DAZN Group Limited (formerly Perform Group Limited) which prepares consolidated financial statements that are publicly available.

The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the FRC. Accordingly, these financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'.

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. The principal accounting policies adopted are set out below.

Exemptions

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective and related party transactions on the grounds that the Company is a wholly owned subsidiary undertaking of DAZN Group Limited (formerly Perform Group Limited) whose accounts are publicly available.

Adoption of new and revised standards

In the current year, the Company has applied a number of amendments to IFRSs and a new Interpretation issued by the International Accounting Standard Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2018 as follows:

Standard	Description	Effective Date
IFRS 9	Financial Instruments	1 January 2018
IFRS 15	Revenue from contracts with customers	1 January 2018
Amendments to IFRS 2 (June 2016)	Classification and measurement of share-based payment transactions	1 January 2018
Annual improvements to IFRS's: 2014-2016 cycle (Dec 2016)	Annual improvements to IFRS's: 2014-2016 cycle – IFRS 1 and IAS 28 amendments	1 January 2018
IFRIC 22	Foreign currency transactions and advance consideration	1 January 2018

IFRS 9 Financial Instruments

The adoption of IFRS 9 from 1 January 2018 for the Company resulted in changes in accounting policies, however they have not had a material impact on the Company's financial statement. The Company's financial assets, including trade and contract receivables, are subject to the new expected credit loss model under IFRS 9. In determining the recoverability of financial assets, the Company considers any change in the credit quality, from the date credit was granted to the reporting date using forward looking information. In accordance with the transitional provisions in IFRS 9, comparative figures have not been restated.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018

1. **Accounting policies (continued)**

Adoption of new and revised standards (continued)

IFRS 15 Revenue from Contracts with Customers

IFRS 15 requires the identification of performance obligations in contracts, allocation of the contract price to the performance obligations and recognition of revenue as performance obligations are satisfied. Performance obligations are satisfied as control of goods and services is transferred to customers and control can be transferred at a point in time or over time. Following an assessment of the financial impact of the changes required from the adoption of this new standard, there is no change to the Income Statement and the Statement of Financial Position of the Company.

Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

New and Revised IFRSs in issue but not yet effective

At the date of authorisation of these financial statements, the Company has not applied the following new and revised IFRSs that have been issued but are not yet effective:

Standard	Description	Effective Date
IFRS 16	Leases	1 January 2019
Amendments to IFRS 10 and IAS 28 (Sept 2016)	Sale or contribution of assets between and investor and it's associate or joint venture	Postponed
IFRIC 23	Uncertainty over income tax treatments	1 January 2019
Amendments to IFRS 9 (Oct 2017)	Prepayment features with negative compensation	1 January 2019
Amendments to IAS 28 (Oct 2017)	Long-term interests in associates and joint ventures	1 January 2019
Annual improvements to IFRS's: 2015-2017 cycle (Dec 2017)	Annual improvements to IFRS's: 2015-2017 cycle – IFRS 3, IFRS 11, IAS 12 and IAS 23 amendments	1 January 2019
Amendments to IAS 19	Plan amendment, curtailment or settlement	1 January 2019
Amendments to IFRS 3	Definition of a business	1 January 2020
Amendments to references to the Conceptual Framework in IFRS standards	Conceptual framework	1 January 2020
Amendments to IAS 1 and IAS 8	Definition of material	1 January 2020

The Directors do not expect that the adoptions of the Standards listed above will have a material impact on the financial statements of the Company in future periods.

IFRS 16 Leases

IFRS 16 will result in the Company's operating leases being recognised as an asset with an approximate value of 2% to 3% of the total assets reported at the balance sheet date, along with a corresponding financial liability, on the balance sheet. The income statement will also be affected, with the operating lease expense being replaced by a combination of depreciation on the right of use asset and interest on the financial liability, which will have an immaterial impact on the profit before tax in the year of adoption. IFRS 16 will be adopted on 1 January 2019.

1. Accounting policies (continued)

Going concern

Having reviewed cash flow forecasts and budgets the Directors have a reasonable expectation that the Company has sufficient resources to continue in operational existence for the foreseeable future, being a period of at least 12 months from the date of approval of these financial statements.

The Company had cash balances of £101.9 million (2017: £143.8 million) at the year end, net current assets of £540.7 million (2017 net current liabilities: £207.4 million) and net liabilities of £863.7 million (2017: £343.6 million).

The Company's parent company, DAZN Group Limited (formerly DAZN Group Limited (formerly Perform Group Limited)) ("the Group") has indicated its willingness to provide support for the Company should it be required. The Group continued the expansion of DAZN in 2018 with the launch of Italy during August 2018 and the USA during September 2018. As part of the investment phase in this exciting and significant growth opportunity, the Group has made significant commitments for the acquisition of critical content rights and development of the platform and product driving this growth phase.

The Group has prepared a detailed financial forecast for the 5-year period to 2022. These forecasts indicate that, based on management's assumptions, the Group is likely to require significant additional funding during this period in order to discharge all obligations as they fall due.

Access Industries Inc and its affiliates ("Access"), have confirmed their intention to continue to provide financial support to the Group to ensure that it has the necessary funding to complete its investment in DAZN and ensure that the Group and its subsidiaries meet their obligations as they fall due. This commitment is not legally binding. Additional funding may take the form of further direct investment from Access or other Shareholders and/or from external sources. The Group has a good record of obtaining the necessary funding to support its investment and growth plans, including shareholder support if required, evidenced by the take-private of the Group in 2014 and the subsequent raising of both public and private debt between 2015 and 2018.

Taking into account the uncertainty within the cash flow forecasts and the expected availability of funding, including support by Access as required, the Directors consider that the Company can meet its liabilities as they fall due for the foreseeable future. On this basis, the Directors have a reasonable expectation that the Company will continue in operational existence for the foreseeable future, being at least 12 months from the date of signing these financial statements, and accordingly have continued to adopt the going concern basis in preparing the accounts.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies

The items below are critical judgements that the Directors believe have a significant effect on the amounts recognised in these financial statements:

Commitment to acquire content rights

The Company has commitments to acquire internet content rights. As at 31 December 2018 these commitments total £3,842.9 million (2017: £1,905.2 million). The Directors do not consider this commitment to be a financial liability as this commitment relates to future payments for future sporting events that the Company has acquired the right to stream. For the reasons set out above and as the organiser declares it waives the exercise of its own rights to stream the sport, the Company does not consider it meets the criteria for recognition of an intangible asset nor does it consider it has a financial liability in accordance with IAS 39 until the sporting event has been delivered.

1. **Accounting policies (continued)**

Critical judgements in applying the Company's accounting policies (continued)

Internally generated software and research

Management monitors progress of internal software development projects by using a project management system. Significant judgement is required in distinguishing whether such development should be recognised as an expense or capitalised. Development costs are recognised as an asset when all the relevant criteria are met. Where this is not the case costs are not capitalised and are written off as incurred.

The Company's Management also monitors whether the recognition requirements for development costs continue to be met. This is necessary as the economic success of any product development is uncertain and may be subject to future technical problems or developments after the time of recognition.

Key sources of estimation uncertainty

The estimates and assumptions, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below. Where a source of uncertainty has been discussed above it has not been duplicated below.

Forecasted revenues for OTT

The recognition of content rights costs for the OTT business is based upon the expected consumption of the economic benefit, over a period not exceeding the contractual period. As the Group has limited historical experience in OTT subscription revenue and its strategic partnership revenues within the Content business, there is significant judgment over when the value of the rights will be returned, being predominantly the forecasting of subscription revenues over the terms of the rights agreements (up to 10 years). As at 31 December 2018, the Company held a prepayment of £499.1 million (2017: 205.2 million) in respect of content rights for the OTT business. The Company has performed a sensitivity analysis which demonstrated that 5% reduction in the future OTT business revenues would result in additional rights costs in the current reporting period of £10.4 million (with a corresponding increase in the prepayment in respect of content rights related to the OTT business).

The Company amortises its payments for sports streaming rights to cost of sales, based on a weighting of when the value of the rights will be returned, over a period not exceeding the contractual period. Whilst in substance the sports rights are intangible assets, given their nature they are not capable of recognition as an intangible asset until the sports event occurs, at which time an asset is capable of recognition.

In the case of rights for live events or highlights that are generally viewed live or very soon after the event and unlike a film or TV programming are generally viewed significantly less as time passes after the original event the Company has considered whether there is any residual value to such video-on-demand offerings and concluded that any value would be minimal and not material.

Revenue recognition

Revenue represents amounts derived from the provision of services falling within the Company's continuing ordinary activities, after the deduction of value added tax. Revenue is measured at the fair value of consideration received or receivable.

Subscription revenues are recognized rateably over each monthly subscription period. Revenues are presented net of the taxes that are collected from subscribers and remitted to governmental authorities.

Deferred revenue consists of subscription fees billed that have not been recognized. Revenue shares to third parties related to subscription revenues are shown within cost of sales.

Revenues related to the sub-licensing of content obtained by the OTT Business are recognised over the course of the contract. Any sub-licensing monies received in advance of the contract commencing are recognised in current liabilities as deferred income.

The Group has entered into agreements where it has licenced the rights to show content to a third party in return for media value as a substitute for cash consideration.

In such instances, as the goods exchanged are dissimilar in nature, the associated revenue and costs are measured at fair value of the goods or services received and recognised according to the delivery of the consideration over a period not exceeding the contractual term.

1. Accounting policies (continued)

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation. Depreciation is recognised as an administrative expense and provided on all property, plant and equipment at rates calculated to write each asset down to its residual value, using the straight-line method, over its expected useful life as follows:

Freehold land – indefinite life

Internet hosting platform – three years

Office furniture and equipment – three years

Leasehold improvements – three years

Motor vehicles – three years

Intangible assets

Internally-generated intangible assets – research and development expenditure

Development costs (including directly attributable overheads) are capitalised only when it is probable that future economic benefit will result from the project and the following criteria are met:

- the technical feasibility of the product has been ascertained;
- adequate technical, financial and other resources are available to complete and sell or use the intangible asset;
- the company can demonstrate how the intangible asset will generate future economic benefits and the ability to use or sell the intangible asset can be demonstrated;
- it is the intention of management to complete the intangible asset and use it or sell it; and
- the development costs can be measured reliably.

Internally-generated intangible assets – research and development expenditure (continued)

Where these criteria are not met development costs are charged to the Income Statement as incurred.

Amortisation is recognised as an administrative expense and provided on computer software development at a rate calculated to write each asset down to its estimated residual value (assumed to be nil), using the straight-line method, over three years.

Intangible assets – computer software development

Development costs (including directly attributable overheads) are capitalised only when it is probable that future economic benefit will result from the project and the following criteria are met:

- the technical feasibility of the product has been ascertained;
- adequate technical, financial and other resources are available to complete and sell or use the intangible asset;
- the Company can demonstrate how the intangible asset will generate future economic benefits and the ability to use or sell the intangible asset can be demonstrated;
- it is the intention of management to complete the intangible asset and use it or sell it; and
- the development costs can be measured reliably.

Where these criteria are not met development costs are charged to the Income Statement as incurred.

Amortisation is recognised as an administrative expense and provided on computer software development at a rate calculated to write each asset down to its estimated residual value (assumed to be nil), using the straight-line method, over three years.

1. Accounting policies (continued)

Intangible assets – other

Identifiable intangible assets acquired as part of business combinations, that meet the conditions for recognition under IFRS 3, are recognised at their fair value at the acquisition date. Amortisation is recognised as an administration expense and charged, on a straight-line basis, over their useful economic life on the following basis:

Trademarks and domain names – twenty years

Customer relationships – three to twelve years

Information technology architecture – three to twelve years

Impairment of tangible and intangible assets

At each reporting date, the Company reviews the carrying amounts of its goodwill, tangible and intangible assets and intangible assets not yet available for use to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit/product to which the asset belongs.

Recoverable amount is the higher of the fair value, less costs to sell, and the value in use. In assessing value in use, the estimated future cash flows, which are based on budgeted figures, are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Trade and other receivables

Trade receivables do not carry any interest and are stated at their fair value on initial recognition (plus transaction costs if any) and carried at amortised cost under the effective interest method.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, bank accounts, deposits receivable on demand and deposits with maturity dates of three months or less from the date of inception. Bank overdrafts that are repayable on demand and which form an integral part of the Company's cash management are also included as a component of cash and cash equivalents where offset conditions are met.

Trade and other payables

Trade payables are not interest bearing and are stated at their fair value on initial recognition (plus transaction costs if any) and carried at amortised cost. The fair value of trade and other payables has not been disclosed as, due to their short duration, Management considers the carrying values recognised in the balance sheet to be a reasonable approximation of their fair value.

1. **Accounting policies (continued)**

Taxation

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

The tax currently payable is based on taxable profit for the period and tax withheld from income. Taxable profit differs from net profit as reported in the Income Statement because it excludes items of income or expense that are taxable or deductible in other years and further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Such assets and liabilities are not recognised if the temporary difference arises from goodwill or the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor accounting profit.

Deferred tax liabilities are recognised for temporary differences arising on investments in subsidiaries, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of the deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they:

(i) relate to income taxes levied by the same taxation authority and

(ii) the Company intends to settle its current tax assets and liabilities on a net basis.

Foreign exchange

Transactions in currencies other than the entity's functional currency are recognised at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are re-translated at the rates prevailing at that date. Exchange differences are recognised in profit or loss in the period in which they arise.

Content costs

The Company typically licenses the right (from sports associations, sports bodies, leagues or their agents or partners) to supply live sports content to online bookmakers and/or to supply aggregated non-exclusive video-on-demand (typically highlights) via the Company's embeddable video player (embedded on publisher websites) or distributed in a news feed (typically highlights). The Company also acts as a global broadcast media partner in relation to its strategic partnerships and licenses the rights from the associated sports bodies to contract with broadcasters in local territories worldwide. This can often take the form of a revenue share or guaranteed commission to the associated sports bodies

1. **Accounting policies (continued)**

Content costs (continued)

The rights the Company licenses are for a fixed period of time, over a number of years. The rights are generally paid in instalments over the length of the contract, either in advance (and as such the Company will recognise a prepayment) or arrears (and as such the Company will recognise an accrual).

The Company recognises an expense for sports streaming rights to cost of sales, based on the forecast consumption of the economic benefits of the rights, over a period not exceeding the contractual period. The value of the rights return is assessed by reference to the Content revenues, both recognised and projected, over the contractual period of the rights.

In the case of content costs related wholly to the OTT Business, the rights are expensed over the contractual period, based on the forecast weighted average subscriber revenues expected to be generated over the same period.

Long term cash settled scheme

For long-term cash-settled payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At each balance sheet date until the liability is settled, and at the date of settlement, the fair value of the liability is re-measured with any changes in fair value recognised in profit or loss for the year.

2. **Revenue**

Revenue represents amounts derived from the Company's activities, stated net of value added tax.

An analysis of the Company's revenue by geographical location is set out below:

	2018 £'000	2017 £'000
Europe	93,928	33,951
Rest of the World	118,165	56,850
	212,093	90,801

3. **Finance income**

	2018 £'000	2017 £'000
Bank interest receivable	768	133
Intercompany interest receivable	142	998
	910	1,131

The group undertaking incurs an interest comprised of a fixed and floating portion. The floating interest rate is determined by reference to the Libor rate.

4. **Finance costs**

	2018 £'000	2017 £'000
Interest on shareholder loan	6,404	23,616
Intercompany interest payable	80,013	14,419
Bank charges and similar	6	3
	86,423	38,038

5. Loss before tax

Loss before taxation is stated after charging the following:

	2018 £'000	2017 £'000
Depreciation	**6,048**	2,817
Amortisation	**17,060**	5,809
Operating lease rental – land and buildings	**4,596**	1,522
Fees payable to Deloitte LLP for the audit of the Company's annual accounts*	**45**	45

*The above fees all relate to the audit of the Company's financial statements. No fees were payable for other services.

6. Employee costs

There was an average of 444 employees (2017: 207), none of whom were directors, undertaking activities on behalf of the company during the year. Of those employees 215 (2017: 131) were employed directly by the Company, and 229 (2017: 76) by DAZN Media Services Limited (formerly Perform Media Services Ltd).

	2018 No.	2017 No.
Accounts management and marketing	**52**	28
Administration and management	**55**	35
Production	**167**	77
Technology	**170**	67
	444	207

The aggregate payroll costs are as follows:

	2018 £'000	2017 £'000
Aggregate wages and salaries	**16,972**	7,220
Social security costs	**3,041**	1,385
Pension costs	**992**	384
Contractors	**5,158**	2,074
Charge for long-term cash settled schemes	**-**	1,238
	26,163	12,301

The directors of the Company, who are considered to be the Key Management Personnel, are employees of and paid via the payroll of DAZN Media Services Limited (formerly Perform Media Services Ltd). None of the directors receive any emoluments during the period for their services to the company and received no remuneration for their services to the company.

7. Tax on loss on ordinary activities

	2018 £'000	2017 £'000
Current tax		
UK current tax – current year	**303**	-
UK current tax - prior year adjustment	**(743)**	120
Withholding Tax	**-**	88
Tax (credit) / charge for the year	**(440)**	208

UK corporation tax is calculated at 19% (2017: 19.25%) of the estimated assessable loss for the year. Taxation for other jurisdictions is calculated at the rates prevailing in those jurisdictions. The charge for the year can be reconciled to the loss before tax in the Income Statement as follows:

	2018 £'000	2017 £'000
Loss on ordinary activities before tax	**(520,510)**	(259,379)
Loss on ordinary activities multiplied by standard rate of tax – 19% (2017: 19.25%)	**(98,894)**	(49,930)
Effects of:		
Other timing differences on which no deferred tax is recognised	**4,298**	6,056
Non-recognition of losses	**84,820**	43,878
Tax effect of amounts not deductible in determining taxable profit	**315**	(4)
Prior year adjustments	**(743)**	120
Withholding Tax	**-**	88
Group relief	**9,764**	-
Tax (credit) / charge for the year	**(440)**	208

A reduction in the UK corporation tax rate from 20.0% to 19.0% was effective from 1 April 2017. A further reduction to the corporation tax rate to 17.0% (effective from 1 April 2020) was substantively enacted as at 31 December 2017. This will reduce future current tax charges accordingly. The deferred tax asset in respect of UK timing differences at 31 December 2017 has been calculated based on the rate of 17.0% being the rate expected to be in force at the time the losses are anticipated to be utilised.

At the balance sheet date, the Company has unused tax losses of £749.9 million (2017: £307.3 million) available for offset against future profits.

8. Intangible fixed assets

	Research and development £'000	Technical equipment £'000	Total £'000
Cost			
At 1 January 2018	21,584	6,113	27,697
Additions	42,715	-	42,715
At 31 December 2018	64,299	6,113	70,412
Accumulated amortisation			
At 1 January 2018	4,169	2,717	6,886
Charge for the year	15,023	2,037	17,060
At 31 December 2018	19,192	4,754	23,946
Net book value			
At 31 December 2018	45,107	1,359	46,466
At 31 December 2017	17,415	3,396	20,811

All expenditure on research and development in the year has been capitalised. Included within additions to research and development in 2018 is £10.4 million (2017: 3.5 million) of capitalised internal staff costs.

9. Property, plant and equipment

	Internet hosting owned £'000	Fixtures and fittings £'000	Leasehold improvements £'000	Total £'000
Cost				
At 1 January 2018	8,832	23	5,304	14,159
Additions	3,418	40	5,441	8,899
As at 31 December 2018	12,250	63	10,745	23,058
Accumulated depreciation				
At 1 January 2018	2,784	4	820	3,608
Charge for the year	3,595	19	2,433	6,047
As at 31 December 2018	6,379	23	3,253	9,655
Net book value				
At 31 December 2018	5,871	40	7,492	13,403
At 31 December 2017	6,048	19	4,484	10,552

10. Investments in subsidiaries

	£'000
As at 1 January 2018	-
Additions	33
As at 31 December 2018	33

Additions in the current period relate to the recognition of investments in regional subsidiary entities that provide services for the DAZN platform, including DAZN US LLC, Perform Investment Italy SRL, DAZN DACH Holdco Limited (formerly Perform Investment Holdco Germany Limited), Perform Investment North America Inc and DAZN Japan Holdco Limited (formerly Perform Investment Japan Holdco Limited).

The investments in subsidiaries are all stated at cost less provision for impairment.

Details of the Company's subsidiaries at 31 December 2018 are as follows. Unless otherwise indicated, all ownership interests are in the ordinary share capital of the investee.

Details of the Company's subsidiaries at 31 December 2018 are as follows. Unless otherwise indicated, all ownership interests are in the ordinary share capital of the investee.

Subsidiaries	Proportion of all classes of issued share capital owned by the Company	Country of Incorporation	Principal activity	Registered Office
Direct holdings of the Company				
DAZN Brands Limited (formerly Perform Investment Brands Limited)	100%	United Kingdom	Holding company	Hanover House, Plane Tree Crescent, Feltham, Middlesex, TW13 7BZ ('Hanover House')
DAZN Japan Holdco Limited (formerly Perform Investment Japan Holdco Limited)	100%	United Kingdom	Holding company	Hanover House
DAZN DACH Holdco Limited (formerly Perform Investment Germany Holdco Limited)	100%	United Kingdom	Holding company	Hanover House
Perform Investment North America Inc	100%	United States	Cost centre for the DAZN business in North America	1209 Orange Street, County of New Castle, Wilmington, Delaware, 19801, USA
PIMGSA LLP	50%	United Kingdom	Holding company	C/O Dorsey & Whitney (Europe) LLP, 199 Bishopsgate, London, EC2M 3UT
Perform Investment Italy SRL	100%	Italy	Digital sports media	Piazza S. Babila n. 3, Milan, Italy.
DAZN US LLC	100%	United States	Digital sports media	United Corporate Services, Inc., 874 Walker Road, Suite C, County of Kent, Dover, Delaware, 19904, USA ('United Corporate Services')

10. Investments in subsidiaries (continued)

Subsidiaries	Proportion of all classes of issued share capital owned by the Company	Country of Incorporation	Principal activity	Registered Office
DAZN MR Holdco Limited (formerly Perform MR Holdco Limited)	100%	United Kingdom	Digital sports media	Hanover House
Indirect holdings of the company				
Perform Investment Japan KK	100%	Japan	Digital sports media	4F Cross Place Hamamatsucho, 1-7-6 Shibakoen, Minato-ku, Tokyo 105-0011, Japan ('Cross Place')
Perform Investment Germany GmbH	100%	Germany	Digital sports media	Münchener Str. 101, 85737 Ismaning, Germany
DAZN Vehicle 1 Limited (formerly Perform Investment Holdco Limited)	100%	United Kingdom	Holding Company	Hanover House, Plane Tree Crescent, Feltham, Middlesex TW13 7BZ
Socco, LLC	50%	United States	Digital sports media	1209 Orange Street, County of New Castle, Wilmington, Delaware, 19801, USA
Matchroom Boxing USA LLC	40%	United States	Digital sports media	United Corporate Services, Inc., 874 Walker Rd., Suite C, Dover, Delaware 19904
Matchroom Boxing Italy 2018 LLP	40%	United Kingdom	Digital sports media	Mascalls, Mascalls Lane, Great Warley, Brentwood, Essex, CM14 5LJ
PIMGSA Holdco Limited	50%	United Kingdom	Digital sports media	Hanover House
FC Diez Media Brazil Consultoria em Marketing EIRELI	50%	Brazil	Digital sports media	Rua Joaquim Floriano, 243, suite 72, parte, CEP 04534-010 Sao Paulo, Brazil
FC Diez Media Paraguay SRL	50%	Paraguay	Digital sports media	Juan de Salazar 657, Asunción, Paraguay
FC Diez Media Argentina SRL	50%	Argentina	Digital sports media	Calle Reconquista 336, piso 2o, Ciudad de Buenos Aires

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018

11. Trade and other receivables

Amounts falling due within one year:

	2018 £'000	2017 £'000
Trade receivables	**14,230**	7,383
Amounts due from group undertakings	**64,028**	71,054
Other taxes and social security	**-**	411
	78,258	78,848

12. Prepayments

	2018 £'000	2017 £'000
Prepayments for acquiring rights	**506,544**	209,646
Other prepaid costs	**3,239**	1,275
	509,783	210,921

13. Trade and other payables

Amounts falling due within one year:

	2018 £'000	2017 £'000
Trade payables	**4,263**	2,700
Amounts due to group undertakings	**93,137**	83,270
Other creditors and accruals	**50,655**	19,723
Other taxes and social security	**1,202**	-
	149,257	105,693

14. Borrowings

	2018 £'000	2017 £'000
Current borrowings	**-**	535,282
Non-current borrowings	**1,464,349**	167,634
	1,464,349	702,916

On 10 August 2016, the DAZN Group Limited (formerly Perform Group Limited) entered into a loan facility agreement with AI International S.á.r.l, an entity in the Access Industries group, DAZN Group Limited's principal shareholder. The initial loan agreements were for a combined total of £100.0 million, which were subsequently amended in five extended agreements up to 2 October 2017 to take the combined total from £100.0 million to £510.0 million. The Facility attracted an interest rate of 8%, which is compounded annually.

These balances were used to fund the continued expansion of the OTT business and cash balances were loaned to the Company by other Group undertakings attracting an interest rate of 8%.and presented as current borrowings in the prior period.

The Group exercised the option to convert the Shareholder Loan to equity on 8 May 2018, following the investment of the Z Shareholder at the same date. These balances and associated interest were transferred from current to non-current borrowings in the Company accounts following the conversion of the loan facilities to equity in DAZN Group Limited.

14. Borrowings (continued)

On 8 May 2018, DAZN Group Limited (formerly Perform Group Limited) received an investment from the Z shareholder of £300.0 million in the capital of the Company. From August to October DAZN Group Limited received an additional £250 million of equity funding. All proceeds from capital funding were loaned to the Company attracting interest at a rate of 9.5%.These balances are recognised as non-current borrowings.

15. Called-up share capital

	2018	2017
	No.	No.
Authorised		
1 ordinary shares of £1 each	1	1
Allotted, called-up and fully paid	£	£
1 ordinary shares of £1 each	1	1

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

16. Long term cash-based scheme

In order to ensure appropriate employee retention arrangements are in place, DAZN Group Limited (formerly Perform Group Limited) and its subsidiaries has put in place long-term cash-based schemes of which the company is a participant, in April 2016, April 2017 and April 2018 that will vest in April 2019, April 2020 and April 2021 respectively. The amount of the payment will be determined by the level of business performance against revenue and EBITDA targets over a three-year period and the cost of each scheme will be spread over the vesting period. A charge of £nil has been recognised in respect of this scheme in the year to 31 December 2018 (2017: £1.3 million).

17. Related party transactions

The Company has taken the available exemption under FRS 101 'Reduced Disclosure Framework' from disclosing transactions with fellow 100% held subsidiaries of the DAZN Group Limited (formerly Perform Group Limited) group of companies.

On 10 August 2016, DAZN Limited (formerly Perform Investment Limited), a wholly owned subsidiary of the Group and part of the Unrestricted Group, entered into a loan facility agreement with AI International S.á.r.l, an entity in the Access Industries group, the Group's principal shareholder. DAZN Limited (formerly Perform Investment Limited) has utilised the Facility based on the funding requirements of the OTT business. The initial loan agreements were for a combined total of £100.0 million, which were subsequently amended in five extended agreements up to 2 October 2017 to take the combined total from £100.0 million to £510.0 million. AI Perform Holdings LLP exercised the option to convert the Shareholder Loan to equity of DAZN Group Limited on 8 May 2018, following the investment of the Z Shareholder. On this date the Shareholder Loan held by the Company was novated from AI Perform Holdings LLP to DAZN Group Limited.

18. Events after the balance sheet date

New markets

Post year end DAZN has been launched in Spain in February 2019 and Brazil in May 2019.

There have been no other material post balance sheet events to disclose.

Rights commitments

Subsequent to the period end the Company's outstanding commitment to acquire sports content rights fell by £0.2 billion from £3.8 billion to £3.6 billion.

18. Events after the balance sheet date (continued)

Financing

Post year end in 30 January 2019 DAZN Limited (formerly Perform Investment Limited) entered into a new $350.0 million loan agreement with AI International Holdings (BVI) Limited an entity in the Access Industries group. The agreement was split across three separate facilities agreements; Facility A Loan ($150.0 million), Facility B Loan ($100.0 million) and Facility C Loan ($100.0 million), which will attract an interest rate of 8% annually prior to 30 June 2019, and rising to 10% per annum annually after 30 June 2019. This agreement was repaid in full on 12 July 2019 following the sale of the Perform Content group of businesses by the DAZN Group.

From April to September 2019 DAZN Limited (formerly Perform Investment Limited) has received an additional $750 million of funding in the form of intercompany loans from DAZN Media Channels Limited (formerly Perform Media Channels Limited) another group undertaking within the DAZN Group.

19. Parent undertaking

The immediate parent undertaking of the Company is DAZN Media Channels Limited (formerly Perform Media Channels Limit. DAZN Group Limited (formerly DAZN Group Limited (formerly Perform Group Limited)), a Company incorporated in the United Kingdom, is the smallest parent undertaking for which group financial statements are drawn up and of which the Company is a member.

Copies of DAZN Group Limited (formerly Perform Group Limited) financial statements are available from Hanover House, Plane Tree Crescent, Feltham, United Kingdom, TW13 7BZ.

The immediate holding company of DAZN Group Limited (formerly Perform Group Limited) is AI Perform Holdings LLP, an entity incorporated in England and Wales, which is the parent undertaking of the smallest and largest group for which consolidated financial statements are drawn up and of which DAZN Group Limited (formerly Perform Group Limited) is a member. AI Perform Holdings LLP and DAZN Group Limited (formerly Perform Group Limited) are ultimately controlled by Len Blavatnik.

The registered office of AI Perform Holdings LLP is 6th Floor, Marble Arch House, 66 Seymour Street, London, W1H 5BT. Copies of AI Perform Holdings LLP consolidated financial statements will be available from Companies House.

Copies of AI Perform Holdings LLP consolidated financial statements are available from Companies House.

20. Other financial commitments

(a) Operating leases

As at 31 December 2018, the Company had total outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2018 **£'000**	2017 £'000
Within one year	**4,913**	5,452
In the second to fifth years inclusive	**13,663**	15,370
After five years	**9,677**	12,873
	28,253	33,695

(b) Rights commitments

At 31 December 2018 the Company had total outstanding commitments to acquire internet content rights as follows:

	2018 **£'000**	2017 £'000
Within one year	**997,389**	277,650
In the second to fifth years inclusive	**2,305,635**	930,615
After five years	**539,904**	696,982
	3,842,928	1,905,247