



**TLA WORLDWIDE PLC**

INTERIM RESULTS

SIX MONTHS ENDED  
30 JUNE 2014

16 SEPTEMBER 2014

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16<sup>th</sup> September 2014

**TLA Worldwide plc**  
(“TLA” or “the Group”)

**Interim results for the six months ended 30 June 2014**

TLA Worldwide plc (AIM: TLA), the athlete representation and Sports Marketing business, is pleased to announce its unaudited results for the six months ended 30 June 2014.

**Financial Highlights**

- Total long term contracted revenue rose by 27% to \$52 million (H1 2013: \$41 million)
- Operating income<sup>1</sup> increased by 12% to \$10 million (H1 2013: \$8.9 million), reflecting strong growth in sports marketing
- Reported revenues increased by 7% to \$10.0 million (H1 2013: \$9.3 million)
- Headline EBITDA<sup>2</sup> grew by 11% to \$4.1 million, reflecting headline EBITDA margin<sup>3</sup> of 40% (H1 2013: 39%)
- Operating profit of \$1.7 million (H1 2013: loss of \$0.3 million)
- Headline profit before tax<sup>4</sup> increased by 11% to \$3.9 million (H1 2013: \$3.5 million)
- Reported profit before tax of \$1.2 million (H1 2013: \$1.0 million loss)
- Headline fully diluted earnings per share<sup>5</sup> up 20% to 2.97 cents (H1 2013: 2.47 cents) and statutory earnings per share of 0.80 cents (H1 2013: loss of 0.88 cents)

**Operational Highlights**

- Total client base rose to 461 (H1 2013: 440) representing net client wins of 21 or 5%
- Maintained top agency position in professional baseball in terms of total client roster with 260 clients (H1 2013: 228)
- Clients in Major League Baseball increased by 12% and by 15% in Minor Leagues compared with H1 2013
- Sports marketing operating income increased by 37% to \$3.6 million (H1 2013: \$2.6 million), driven by organic expansion of client roster
- Operating profit in sports marketing grew by 145%, all organic
- Entered the global soccer industry by securing all commercial rights to the elite International Champions Cup in Asia Pacific for 2015-2018
- Appointed exclusive commercial agents for the USA Rugby v New Zealand All Blacks game in Chicago to be held on 1 November 2014
- Golf clients Jim Furyk and Patrick Reed selected for the US Ryder Cup team 2014

**Outlook**

- The Group continues to enjoy good visibility for the remainder of 2014 due to its long term contracted revenues of \$52 million, which are up 27% on a year ago
- On track to deliver double digit organic revenue growth for the full year 2014, together with a final dividend
- Well positioned for strong growth in 2015 following our success in securing the commercial rights to the elite International Champions Cup tournament in Asia Pacific next summer

<sup>1</sup> Reported revenue less third party commissions, which is shown as gross profit in the Condensed Consolidated Income Statement

<sup>2</sup> Operating profit adjusted to add back depreciation, amortisation of acquired intangible assets and any acquisition related charges, share-based payment charges and exceptional items

<sup>3</sup> Headline EBITDA divided by Reported revenue

<sup>4</sup> Headline EBITDA less bank interest

<sup>5</sup> Please see note 2 earnings per share

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**Bart Campbell, Chairman, commented:**

“We are making excellent progress as continued investment in the business leads to a steady expansion of our activities across major sports in the US and other markets. Current trading remains encouraging and we continue to enjoy strong forward visibility due to long term contracted revenues of \$52 million which rose 27% year on year. As a result the Group remains on track to deliver double digit organic revenue growth for the full year.

“In addition, we look to forward to 2015 with increasing confidence following our four year deal to bring the elite International Champions Cup football tournament in Asia Pacific for the first time. This will provide a material boost to revenues in 2015, positioning us for strong growth.”

**Enquiries:**

<b>TLA Worldwide</b>		
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**About TLA Worldwide**

TLA Worldwide is a *leading athlete representation and Sports Marketing group* quoted on London's AIM. The Group derives revenues from long term agency relationships with many prominent US and international sports stars, broadcasters and media personalities associated with major sports including American Football, baseball, basketball and golf. In addition, it also provides a range of services in respect of media consultancy, sports sponsorship and event production to many sportspeople and corporate clients. A significant proportion of TLA Worldwide's business emanates from baseball where it is a recognised leader, having negotiated over \$3 billion of contracts over the past 10 years. With over 55 full-time personnel, TLA Worldwide serves its clients through three operating subsidiaries from 10 locations worldwide including its principal offices in London, UK; New York and Newport Beach, USA; and Melbourne, Australia. For more please see [www.tlaww-plc.com](http://www.tlaww-plc.com)

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## Overview

We achieved a healthy increase in revenue and profit before tax in the first half as continued investment in the business yielded solid organic growth and helped to diversify the Group's activities in a range of major sports and related events.

### *Group Headline Results*

	<b>H1 2014</b>	<b>H1 2013</b>	<b>%</b>
	<b>\$000</b>	<b>\$000</b>	<b>Change</b>
Operating income	10,019	8,944	12%
Headline EBITDA	4,060	3,685	11%
<i>Headline EBITDA Margin</i>	<i>40.5%</i>	<i>39.5%</i>	<i>2%</i>
Headline profit before tax	3,874	3,500	11%
Headline EPS (cents)	2.97	2.47	20%

### *Statutory Results*

	<b>H1 2014</b>	<b>H1 2013</b>
	<b>\$000</b>	<b>\$000</b>
Operating profit/(loss)	1,690	(290)
Profit / (loss) before tax	1,160	(991)
Earnings/(loss) per share (cents)	0.80	(0.88)

Group operating income, which is revenue net of third party commissions, increased by 12% to \$10 million, driven by growth in our Sports Marketing segment, while our Baseball Representation segment saw a resilient first half. As a result, headline profits before tax increased by 11% to \$3.9 million, compared with the first half of last year.

We continue to enjoy excellent forward visibility of revenue with long term contracted revenues of \$52 million against \$41 million same time last year, an increase of 27%.

The total group client base increased to 461 with a net client wins of 21, up by 5% from the first half of 2013 (H1 2013: 440).

In June, the events business, which is part of TLA's Sports Marketing segment, scored a double win by signing agreements for two major sports events that will provide a real boost to our future growth. The first was our appointment as exclusive commercial agents to USA Rugby, America's national governing body for the highly anticipated USA Eagles Vs All Blacks match in Chicago this November.

Secondly, we also secured, jointly with Nine Live, part of the major Australian media and entertainment group, Nine Entertainment Company, the rights to stage the elite International Champions Cup football tournament in Asia Pacific for the first time. The agreement is for four years from 2015 and involves an annual competitive fixture featuring some of the world's leading football clubs.

TLA opened a new office in Australia in January, increasing the range of opportunities now being presented to the Group.

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## Operating review

### *Baseball Representation*

	<b>H1 2014</b>	<b>H1 2013</b>	<b>%</b>
	<b>\$000</b>	<b>\$000</b>	<b>Change</b>
Operating income	6,403	6,314	1%
Headline EBITDA	3,283	3,209	2%
<i>Headline EBITDA Margin</i>	<i>51.3%</i>	<i>48.8%</i>	<i>5%</i>
Operating profit	1,545	1,164	35%

Baseball representation, which derives revenues through its long term relationships with many established and young players, was in line with expectations as it maintained its position as a leading athlete representation agency in professional baseball in terms of total client roster.

The number of TLA clients in Major League Baseball increased by 12% to 65 (H1 2013: 58). Our roster also includes two players selected for the 2014 All Star game – Michael Brantley, a newly signed client, and Scott Kazmir. As these clients move through their career cycle, spending time in Major League Baseball, TLA will benefit in future years.

We also continued to grow our long term fee base by signing new and emerging talent in the Minor Leagues, increasing the number of clients to 195 (H1 2013:170).

### *Sports Marketing*

	<b>H1 2014</b>	<b>H1 2013</b>	<b>%</b>
	<b>\$000</b>	<b>\$000</b>	<b>Change</b>
Operating income	3,616	2,630	37%
Headline EBITDA	2,169	1,313	65%
<i>Headline EBITDA Margin</i>	<i>60.0%</i>	<i>49.9%</i>	<i>20%</i>
Operating profit	1,566	638	145%

Sports Marketing had a strong performance in the first half of the year, all organic growth as the client roster expanded, in particular golf professionals, coaches and broadcasters. Jim Furyk and Patrick Reed have been selected to represent the US in the 2014 Ryder Cup, underscoring the quality of our golf client base.

We continue to invest in the future growth of our Sports Marketing business. We expect to make further investment during the second half of the year and have today separately announced the expansion of our sponsorship and in-stadia sales division.

Our inaugural two-day Baseball City event, held in Phoenix, Arizona was successful in its first year. The event made a profit contribution during the first half of the year. It is an encouraging result and is expected to grow over the coming years.

Following our appointment as commercial agents to USA Rugby for their game versus the All Blacks on 1 November, we are now in advanced preparation for the match. This is the first match to be played between the two sides on American soil in 25 years and has attracted considerable interest from US fans. Tickets sales for the fixture to be held at the 59,000-seat

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Soldier Field stadium have sold well to date and the match is expected to sell out. The event, sponsored by American Insurance Group, will be shown live on NBC nationally.

### **Financial review**

We moved to a \$1.2 million profit before tax compared with a \$1.0 million loss at the same time last year. This result reflects not only our organic increase in revenues, but also better operating margins within Sports Marketing compared with the same period last year.

During the period there was a \$4.8 million increase in working capital (H1 2013: outflow of \$0.45 million). Management of working capital remains a key area of focus and the position is expected to improve by the year end. Cash held as at 30 June 2014 was \$1.2 million (H1 2013: \$2.4 million) and net debt was \$8.5 million (H1 2013: \$8.3 million). Our cash balance at 30 August 2014 is \$1.6 million after the payment of last year's final dividend and the earn-out due for the acquisition of PEG, in July 2014.

### **Dividend**

In line with the Group strategy, there is no interim dividend. The Board expects to propose a final dividend at the year-end in line with its current progressive dividend policy.

### **Taxation**

The current tax due for the period was \$0.5 million, which is an effective rate of 13.6% on the headline profit before tax (H1 2013: 11.5%).

### **Board changes**

The Board regrets to report that Andy Wilson, a non-executive director, passed away in May this year. His contribution to the Group will be missed and our sympathies are with his family for this sad loss.

On 27 May 2014 Ian Robinson joined the Board as a non-executive director. Ian brings a wealth of experience to our Board as we continue to grow.

### **Outlook**

The US and global Sports Marketing industry continues to benefit from positive long term fundamentals. At the same time we are making excellent progress as continued investment in the business leads to a steady expansion of our activities across major sports in the US and other markets.

Current trading remains encouraging and we continue to enjoy excellent visibility for the remainder of 2014 and into 2015 due to our long term contracted revenues of \$52 million, which are up 27% on a year ago. As a result the Group remains on track to deliver double digit organic revenue growth for the 2014 full year.

In addition we look to forward to 2015 with increasing confidence following our success in securing a four-year deal for the commercial rights to bring the elite International Champions Cup football tournament to Asia Pacific for the first time. This will provide a material boost to revenues from 2015, positioning us for strong growth.

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## Condensed Consolidated Income statement (unaudited)

For the six month period to 30 June 2014

		Period to 30 June 2014 \$000's	Period to 30 June 2013 \$000's
Revenue		<b>10,019</b>	<b>9,340</b>
Cost of sales		-	(397)
<b>Gross profit</b>		<b>10,019</b>	<b>8,944</b>
Administrative expenses		(8,329)	(9,234)
<b>Operating profit/(loss) from operations</b>		<b>1,690</b>	<b>(290)</b>
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<b>Headline EBITDA</b>		<b>4,060</b>	<b>3,685</b>
Amortisation of intangibles		(2,342)	(2,541)
Depreciation		(28)	(8)
Exceptional items	3	-	(1,426)
<b>Operating profit/(loss) from operations</b>		<b>1,690</b>	<b>(290)</b>
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Finance Costs	4	(530)	(700)
Profit/(loss) before tax		1,160	(991)
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Taxation	5	(152)	(12)
<b>Profit/(loss) for the period from continuing operations attributable to the equity holders in the company</b>		<b>1,008</b>	<b>(1,002)</b>
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<b>Profit / loss per share from continuing operations (note 2)</b>			
Basic (cents)		0.80	(0.88)
Diluted (cents)		0.80	(0.88)

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## Condensed Consolidated Comprehensive Income (unaudited)

For the six month period to 30 June 2014

	6 months period to 30 June 2014 \$000's unaudited	6 months period to 30 June 2013 \$000's unaudited
Profit /(loss for the period)	1,008	(1,002)
Exchange differences on translation of overseas operations	(1,693)	7
<b>Total comprehensive income for the period attributable to the equity holders in the Company</b>	<b>(685)</b>	<b>(995)</b>

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## Condensed Consolidated Group Balance Sheet (unaudited)

	Note	As at 30 June 2014 \$000's Unaudited	As at 30 June 2013 \$000's Unaudited	As at 31 December 2013 \$000's Audited
<b>Non-current assets</b>				
Intangible assets – goodwill	6	29,022	29,022	29,022
Other intangible assets		15,046	19,867	17,388
Property, plant and equipment		166	160	184
Deferred tax asset		3,178	1,443	2,805
		<u>47,412</u>	<u>50,492</u>	<u>49,399</u>
<b>Current assets</b>				
Trade and other receivables		10,758	7,633	7,823
Cash and cash equivalents		1,244	2,430	4,429
		<u>12,002</u>	<u>10,063</u>	<u>12,252</u>
<b>Total assets</b>		<u>59,414</u>	<u>60,555</u>	<u>61,651</u>
<b>Current liabilities</b>				
Trade and other payables		(2,936)	(2,884)	(3,875)
Borrowings	7	(4,373)	(4,375)	(4,352)
Deferred consideration	8	(1,959)	(3,106)	(2,663)
		<u>(9,268)</u>	<u>(10,365)</u>	<u>(10,890)</u>
<b>Net current (liabilities)/assets</b>		<u>2,734</u>	<u>(302)</u>	<u>1,362</u>
<b>Non-current liabilities</b>				
Borrowings	7	(5,396)	(6,341)	(5,896)
Deferred consideration	8	(9,710)	(9,417)	(9,702)
Derivative financial instruments		(49)	(75)	(63)
Other liabilities		(516)	(832)	(8)
		<u>(15,671)</u>	<u>(16,665)</u>	<u>(15,669)</u>
<b>Total liabilities</b>		<u>(24,939)</u>	<u>(27,030)</u>	<u>(26,559)</u>
<b>Net assets</b>		<u>34,475</u>	<u>33,525</u>	<u>35,092</u>
<b>Equity</b>				
Share capital		3,839	2,741	2,747
Share premium		33,303	23,396	23,461
Shares to be issued		1,311	12,177	12,177
Foreign currency reserve		(1,257)	93	436
Retained loss		(2,721)	(4,882)	(3,729)
<b>Total equity</b>		<u>34,475</u>	<u>33,525</u>	<u>35,092</u>

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## Condensed Statement of Cash Flows (unaudited)

For the six month period to 30 June 2014

	Note	6 months period to 30 June 2014 \$000's unaudited	6 months period to 30 June 2013 \$000's unaudited
<b>Net cash from operating activities</b>	9	(1,487)	(452)
<b>Investing activities</b>			
Purchases of property, plant and equipment		(10)	(130)
<b>Net cash used in investing activities</b>		(10)	(130)
<b>Financing activities</b>			
Interest paid		(157)	(177)
Bank loans repaid	7	(500)	(500)
New bank loans raised	7	-	3,400
Payment of deferred consideration/earn-outs		(1,031)	(3,840)
<b>Net cash outflow from financing activities</b>		(1,688)	(1,117)
<b>Net decrease in cash and cash equivalents</b>		(3,185)	(1,699)
<b>Cash and cash equivalents at beginning of period</b>		4,429	4,124
Foreign currency translation effect		-	5
<b>Cash and cash equivalents at end of period</b>		1,244	2,430

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## Condensed Consolidated Statement of Changes in Equity

For the six month period to 30 June 2014

	Share Capital	Share Premium	Shares to be issued	Foreign Currency Reserve	Retained Earnings	Total
	\$000s	\$000's	\$000s	\$000s	\$000s	\$000s
<b>Balance as at 1 January 2013</b>	<b>2,741</b>	<b>23,396</b>	<b>12,177</b>	<b>86</b>	<b>(3,880)</b>	<b>34,520</b>
Total comprehensive income for period	-	-	-	7	(1,002)	(995)
Equity costs charged during the period	-	-	-	-	-	-
<b>Balance in the period end 30 June 2013</b>	<b>2,741</b>	<b>23,396</b>	<b>12,177</b>	<b>93</b>	<b>(4,882)</b>	<b>33,525</b>
<b>Balance as at 1 January 2014</b>	<b>2,747</b>	<b>23,461</b>	<b>12,177</b>	<b>436</b>	<b>(3,729)</b>	<b>35,092</b>
Total comprehensive income for period	-	-	-	(1,693)	1,008	(685)
Equity issued during the period	4	64	-	-	-	68
Deferred consideration to be settled in equity	1,088	9,778	(10,866)	-	-	-
<b>Balance as at 30 June 2014</b>	<b>3,839</b>	<b>33,303</b>	<b>1,311</b>	<b>(1,257)</b>	<b>(2,721)</b>	<b>34,475</b>

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## Notes to the preliminary announcement of results

### General information

TLA Worldwide plc (the “Company”) is incorporated and domiciled in the United Kingdom. The Company is listed on the AIM market of the London Stock Exchange. The registered address is Ground Floor, 21 Dartmouth Street, Westminster, London SW1H 9BP.

### Basis of preparation

The condensed set of financial statements has been prepared using accounting policies consistent with International Financial Reporting Standards (IFRSs) as adopted by the European Union. The same accounting policies, presentation and methods of computation are followed in the condensed set of financial statements as applied in the Group's latest annual audited financial statements. While the financial figures included in this half-yearly report have been computed in accordance with IFRSs applicable to interim periods, this half-yearly report does not contain sufficient information to constitute an interim financial report as that term is defined in IAS 34.

### Going concern

After making due enquiries, and in accordance with the FRC's “Going Concern and Liquidity Risk: Guidance for Directors of UK Companies 2009”, the Directors view is that the Group has adequate resources to continue in operational existence for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing these condensed consolidated half year financial statements.

### 1. Segmental Analysis

The Group reports its business activities in two areas: Baseball Representation and Sports Marketing. Corporate represents the Group's costs as a public company. The Group derives its revenues in the United States of America.

Baseball Representation – primarily looks after the on field activities of baseball players, including all aspects of a player's contract negotiation lists.

Sports Marketing – primarily looks after the off-field activities of athletes; in addition it represents broadcasters and coaches in respect of their contract negotiations; creates and delivers events; and provides consultancy services

IFRS 8 paragraph 34 requires disclosure of revenues by customer for each customer that generates in excess of 10 per cent of the Group's total revenues in a period. In the six month period ended 30 June 2014, no client generated in excess of 10 percent of total revenue.

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## 1. Segmental Analysis (continued)

<b>Six months to 30 June 2014</b>	<b>Baseball Representation \$000's</b>	<b>Sports Marketing \$000's</b>	<b>Corporate \$000's</b>	<b>Total \$000's</b>
Revenue	6,403	3,616	-	10,019
Cost of sales	-	-	-	-
Gross profit	6,403	3,616	-	10,019
Operating expenses excl. depreciation, amortisation and exceptional items	(3,119)	(1,447)	(1,393)	(5,959)
<b>Operating profit / (loss) before depreciation, amortisation and exceptional items</b>	<b>3,284</b>	<b>2,169</b>	<b>(1,393)</b>	<b>4,060</b>
Depreciation	-	-	(28)	(28)
Amortisation of intangibles arising on acquisition	(1,739)	(603)	-	(2,342)
<b>Operating profit / (loss)</b>	<b>1,545</b>	<b>1,566</b>	<b>(1,421)</b>	<b>1,690</b>
Finance costs				(530)
<b>Profit before tax</b>				<b>1,160</b>
Taxation				(152)
<b>Profit for the period</b>				<b>1,008</b>
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Assets	37,185	12,817	9,412	59,414
Liabilities	(778)	(1,242)	(22,919)	(24,939)
<b>Capital Employed</b>	<b>36,407</b>	<b>11,575</b>	<b>(13,507)</b>	<b>34,475</b>
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<b>Six months to 30 June 2013</b>	<b>Baseball Representation \$000's</b>	<b>Sports Marketing \$000's</b>	<b>Corporate \$000's</b>	<b>Total \$000's</b>
Revenue	6,580	2,760	-	9,340
Cost of sales	(266)	(130)	-	(396)
Gross profit	6,314	2,630	-	8,944
Operating expenses excl. depreciation, amortisation and exceptional items	(3,105)	(1,317)	(837)	(5,259)
<b>Operating profit before depreciation, amortisation and exceptional items</b>	<b>3,209</b>	<b>1,313</b>	<b>(837)</b>	<b>3,685</b>
Depreciation	(4)	(1)	(3)	(8)
Amortisation of intangibles arising on acquisition	(1,910)	(631)	-	(2,541)
Exceptional items (note 3)	(131)	(43)	(1,252)	(1,426)
<b>Operating profit / (loss)</b>	<b>1,164</b>	<b>638</b>	<b>(2,092)</b>	<b>(290)</b>
Finance costs				(700)
<b>(Loss) before tax</b>				<b>(990)</b>
Taxation				(12)
<b>(Loss) for the period</b>				<b>(1,002)</b>
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Assets	43,898	13,490	3,167	60,555
Liabilities	(11,505)	(3,241)	(12,284)	(27,030)
<b>Capital Employed</b>	<b>32,393</b>	<b>10,249</b>	<b>(9,117)</b>	<b>33,525</b>

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## 2. Earnings per share

	<b>6 month period to 30 June 2014 cents per share</b>	<b>6 month period to 30 June 2013 cents per share</b>
Basic earnings (loss) / profit per share	0.80	(0.80)
Diluted earnings (loss) / profit per share	0.80	(0.80)

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

	<b>6 months period to 30 June 2014 \$000's</b>	<b>6 months period to 30 June 2013 \$000's</b>
(Loss) / profit for the purposes of basic earnings per share being net loss attributable to owners of the Company	1,008	(1,002)
<b>Number of Shares</b>		
Weighted Average number of shares in issue:	122,406,174	87,490,145
Deferred consideration shares to be issued	3,226,029	38,028,046
Weighted average number of shares for the purposes of basic earnings (loss) per share	<u>125,632,203</u>	<u>125,518,191</u>
Dilutive effect of shares to be issued as cash or equity	-	-
Weighted average number of shares for the purposes of diluted earnings (loss) per share	<u>125,632,203</u>	<u>125,518,191</u>

The Group issued the 32,887,415 ordinary shares during the period in respect of the acquisitions of LS Legacy Group and The Agency in December 2011 and they are now reflected in the 2014 calculation of weighted average shares. Headline earnings per share (see below):

	<b>6 months period to 30 June 2014 \$000's</b>	<b>6 months period to 30 June 2013 \$000's</b>
Basic headline earnings per share	2.97	2.43
Diluted headline earnings per share	2.97	2.43

Headline profit for the period is defined as profit for the period adjusted to add back amortisation of acquired intangible assets and any other acquisition related charges, share based payment charges, fair value movement on financial derivatives and shares to be taken in cash or equity, unwinding of discount of deferred consideration and exceptional items. The headline profit attributable to owners of the Company used in calculating the basic and diluted headline earnings per share is reconciled below:

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## 2. Earnings per share (cont.)

	6 months period to 30 June 2014 \$000's	6 months period to 30 June 2013 \$000's
Profit / (loss) attributable to shareholders	1,008	(1,002)
Adjusted for		
Exceptional costs (note 3)	-	1,427
Amortisation of acquired intangible assets	2,342	2,541
Debt cost amortisation		321
Fair value (loss) / gain on interest rate swap	(14)	(53)
Unwinding of discount to deferred consideration	387	255
Deferred tax movement	-	(435)
	<hr/>	<hr/>
Headline profit attributable to shareholders	3,723	3,053
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## 3. Exceptional items

Exceptional items relate to acquisition and intangible costs. There were no exceptional items during the period. In the period to 30 June 2013 these related primarily to one-off costs incurred in integrating the business of PEG, acquisition related costs and the office move costs which include the provision for onerous lease costs.

## 4. Finance charges

Finance charges are analysed as follows:

	6 months period to 30 June 2014 \$000's	6 months period to 30 June 2013 \$000's
Bank interest	157	177
Amortisation of discount on deferred consideration and debt costs	373	523
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	530	700
	<hr/> <hr/>	<hr/> <hr/>

## 5. Taxation Expenses

	6 months period to 30 June 2014 \$000's	6 months period to 30 June 2013 \$000's
<b>UK Taxes</b>		
Current year	-	-
<b>Overseas Taxes</b>		
US State and Federal taxes	(527)	(402)
<b>Deferred tax</b>	375	390
	<hr/>	<hr/>
	(152)	(12)
	<hr/> <hr/>	<hr/> <hr/>

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

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## 6. Goodwill

	As at 30 June 2014 \$000's	As at 30 June 2013 \$000's
<b>Cost</b>		
At 1 January	29,022	29,022
<b>At 30 June</b>	<u>29,022</u>	<u>29,022</u>

## 7. Borrowings

	As at 30 June 2014 \$000's	As at 30 June 2013 \$000's
<b>Secured borrowing at amortised cost</b>		
Bank loans	9,900	10,900
Debt costs amortised over the life of the facility	(131)	(185)
	<u>9,769</u>	<u>10,715</u>
<b>Total borrowings</b>		
Amount due for settlement within 12 months	4,373	4,375
Amount due for settlement after 12 months	5,396	6,340
	<u>9,769</u>	<u>10,715</u>

All borrowings are denominated in US dollars. The other principal features of the Group's borrowings are as follows.

- Interest is charged at 3% above US LIBOR.
  - Repayments are \$250,000 quarterly over the life of the term loan, plus a bullet repayment at maturity.
  - The facilities are for five years and expire on 22<sup>nd</sup> January 2018.
  - Interest rate hedged at 4.22% on the term loan.
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## 8. Deferred Consideration

Under the terms of acquisition agreements that the Company has entered into it has obligations to the vendors of the businesses acquired under these agreements as set out below:

	As at 30 June 2014 \$000's	As at 30 June 2013 \$000's
Payable in less than one year	1,959	165
Payable in one to two years	3,553	3,426
Payable in two to five years	7,337	6,319
Payable in more than five years	-	4,567
Impact of discounting on provisions payable in cash at the borrowing rate of 5.22%	(1,180)	(1,954)
<b>Total deferred consideration payable</b>	<b>11,669</b>	<b>12,523</b>

The Group has the option to settle 30% on the \$5,021,000 payable to PEG in shares of TLA (NY) Inc. In accordance with the terms of the exchange agreement, these shares can be exchanged for Ordinary Shares in the capital of TLA Worldwide plc at any time at the option of the vendors.

## 9. Notes to the Statement of Cash Flow

	6 months period to 30 June 2014 \$000's	6 months period to 30 June 2013 \$000's
Operating profit for the period	1,690	(290)
Adjustments for:		
Amortisation of intangible assets	2,342	2,541
Depreciation of tangible assets	28	8
Other non-cash movements	(164)	324
Operating cash flows before movements in working capital	3,896	2,583
Increase in trade receivables	(2,935)	(3,935)
Increase / (decrease) in trade payables	(1,921)	1,014
Cash generated by operations	(960)	(339)
Income taxes paid	(527)	(95)
Foreign exchange (loss) / gains	-	(19)
Net cash from operating activities	(1,487)	(452)

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

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