

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this Document, or the action you should take, you should seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant, fund manager or other independent financial adviser who specialises in advising on the acquisition of shares and other securities and is duly authorised under the Financial Services and Markets Act 2000 (“FSMA”) if you are in the United Kingdom or, if not, from another appropriately authorised independent adviser who specialises in advising on the acquisition of shares and other securities.**

The Company and the Directors, details of which or whom appear on page 6 of this Document, accept responsibility both individually and collectively in accordance with the AIM Rules for Companies for the information contained in this Document. To the best of the knowledge and belief of the Company and the Directors, who have taken all reasonable care to ensure that such is the case, the information contained in this Document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Application will be made for all of the issued and to be issued Ordinary Shares to be admitted to trading on the AIM market of the London Stock Exchange (“AIM”). **AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on Admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. The London Stock Exchange has not itself examined or approved the contents of this Document.** The Ordinary Shares are not admitted to trading on any recognised investment exchange and, apart from the application for Admission, no such other applications have been or are intended to be made. The Directors expect that Admission will become effective and that dealings in the Ordinary Shares will commence on AIM on 8 December 2011.

This Document, which comprises an admission document, has been drawn up in accordance with the AIM Rules for Companies. This Document does not contain an offer or constitute any part of an offer to the public in accordance with the provisions of sections 85 and 102 B of FSMA or otherwise and is not a “Prospectus” (as defined in the AIM Rules for Companies). Accordingly, this Document has not been prepared in accordance with the “Prospectus Rules” (as defined in the AIM Rules for Companies), nor has it been examined or approved by the Financial Services Authority (“FSA”) pursuant to section 85 of FSMA and a copy has not been and will not be delivered to the FSA.

---

## **TLA WORLDWIDE PLC**

*(Incorporated and registered in England & Wales under the Companies Act 2006 with registered number 07741649)*

**Placing of 59,780,235 New Ordinary Shares at 20p per share**

**and**

**Admission to trading on AIM**

***Nominated Adviser and Broker***

***Cenkos Securities plc***

Authorised and regulated by the Financial Services Authority

---

### SHARE CAPITAL ON ADMISSION

Issued and fully paid ordinary shares of £0.02 each

<i>Amount</i>	<i>Number</i>
<i>£1,277,220</i>	<i>63,860,990</i>

**An investment in TLA Worldwide plc may not be suitable for all recipients of this Document. Any such investment is speculative and involves a high degree of risk. Prospective purchasers of Ordinary Shares should carefully consider whether an investment in the Company is suitable for them in light of their circumstances and the financial resources available to them. Attention is drawn, in particular, to the Risk Factors set out in Part III of this Document.**

Cenkos Securities plc (“Cenkos”), which is authorised and regulated in the United Kingdom by the FSA and is a member of the London Stock Exchange, is the Company’s Nominated Adviser and Broker in connection with the Admission for the purposes of the AIM Rules and is acting exclusively for the Company and no one else in connection with the matters described herein and will not be responsible to anyone other than the Company for providing the protections afforded to customers of Cenkos or for advising any other person in respect of the proposed Placing and Admission or for the contents of this Document. The responsibilities of Cenkos, as Nominated Adviser under the AIM Rules, are owed solely to the London Stock Exchange and are not owed to the Company or any Director or to any other person in respect of its decision to acquire Ordinary Shares in reliance on any part of this Document. No person has been authorised to give any information or make any representations other than those contained in this Document and, if given or made, such information or representations must not be relied upon as having been so authorised. No representation or warranty, express or implied, is made by Cenkos as to any of the contents of this Document. Cenkos has not approved or authorised the contents of any part of this Document for any purpose and no liability whatsoever is accepted by Cenkos for the accuracy of any information or opinions contained in this Document. Neither the delivery of this Document hereunder nor any subsequent subscription or sale made for Ordinary Shares shall, under any circumstances, create any implication that the information contained in this Document is correct as of any time subsequent to the date of this Document.

The Ordinary Shares will not be registered under the United States Securities Act of 1933, as amended, or under the securities legislation of, or with any securities regulatory authority of, any state or other jurisdiction of the United States or under the applicable securities laws of the Republic of South Africa, Australia, Canada or Japan. Accordingly, subject to certain exceptions, the Ordinary Shares may not be offered or sold, directly or indirectly, in or into the United States, the Republic of South Africa, Australia, Canada or Japan or to or for the account or benefit of any national, resident or citizen of the Republic of South Africa, Australia, Canada or Japan or any person located in the United States. This Document does not constitute an offer to issue or sell, or the solicitation of an offer to subscribe for or buy, any of the Ordinary Shares to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation in such jurisdiction. The distribution of this Document in certain jurisdictions may be restricted by law. In particular, this Document should not be distributed, published, reproduced or otherwise made available in whole or in part, or disclosed by recipients to any other person, and in particular, should not be distributed, subject to certain exceptions, to persons with addresses in the United States of America, the Republic of South Africa, Australia, Canada or Japan. No action has been taken by the Company or by Cenkos that would permit a public offer of any of the Ordinary Shares or possession or distribution of this Document where action for that purpose is required. Persons into whose possession this Document comes should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of such jurisdictions.

An electronic version of this Document will be available at the Company’s website, [www.tlaww-plc.com](http://www.tlaww-plc.com).

#### **FORWARD-LOOKING STATEMENTS**

**Certain statements in this Document are, or may be deemed to be, forward-looking statements. Forward-looking statements are identified by their use of terms and phrases such as “believe”, “could”, “envisage”, “estimate”, “intend”, “may”, “plan”, “will” or the negative of those, variations or comparable expressions, including references to assumptions. These forward-looking statements are not based on historical facts but rather on the Directors’ current expectations and assumptions regarding the Company’s future growth, results of operations, performance, future capital and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, business prospects and opportunities. Such forward-looking statements reflect the Directors’ current beliefs and assumptions and are based on information currently available to the Directors. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements including risks associated with vulnerability to general economic and business conditions, competition, environmental and other regulatory changes, actions by governmental authorities, the availability of capital markets, reliance on key personnel, uninsured and underinsured losses and other factors, many of which are beyond the control of the Company. These forward-looking statements are subject to, *inter alia*, the risk factors described in Part III of this Document.**

**Although any forward-looking statements contained in this Document are based upon what the Directors believe to be reasonable assumptions, the Company cannot assure investors that actual results will be consistent with such forward-looking statements.**

#### **INDUSTRY AND MARKET DATA**

Information regarding markets, market size, market share, market position, growth rates and other industry data pertaining to the Company's business contained in this Document consists of estimates based on data and reports compiled by professional organisations and analysts using data from other external sources and on the Company's knowledge of its proposed industry. In some cases, there is no readily available external information (whether from trade associations, government bodies or other organisations) to validate market-related analyses and estimates, requiring the Company to rely on internally developed estimates. The Company takes responsibility for compiling, extracting and reproducing market or other industry data from external sources, including third parties or industry or general publications but neither the Company nor Cenkos has independently verified that data. The Company cannot assure investors of the accuracy and completeness of, and takes no further responsibility for, such data.

#### **CURRENCY PRESENTATION, PLACING PRICE AND CURRENCY OF PLACING PROCEEDS**

The Company prepares its financial statements in US dollars. The US dollar amounts referred to in this Document (insofar as they relate to monies raised pursuant to the Placing) have been translated from pounds sterling using the following exchange rate £1.00:US\$1.5683 (being the *Financial Times* closing mid-point rate on 1 December 2011, the latest practicable date prior to publication of this Document). The Placing Shares will be settled in pounds sterling. All amounts received from the Placing will be in pounds sterling and, net of fees, commissions and expenses, are intended to be converted into US dollars by Cenkos before transmission to the Company. The actual exchange rate in effect at the date(s) the net pounds sterling proceeds are exchanged into US dollars may differ from the exchange rate prevailing at the date of this Document. As a result, the total net proceeds (after conversion) receivable by the Company may differ from the amount anticipated in this Document.

## CONTENTS

	<i>Page</i>
EXPECTED TIMETABLE OF PRINCIPAL EVENTS	5
PLACING STATISTICS	5
DIRECTORS, SECRETARY AND ADVISERS	6
DEFINITIONS	7
PART I INFORMATION ON THE GROUP	11
PART II BASEBALL REGULATION IN THE UNITED STATES	26
PART III RISK FACTORS	27
PART IV FINANCIAL INFORMATION ON LEGACY	33
PART V FINANCIAL INFORMATION ON THE AGENCY	52
PART VI UNAUDITED PRO FORMA FINANCIAL INFORMATION	68
PART VII ADDITIONAL INFORMATION	70

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

<i>Event</i>	<i>Date 2011</i>
Publication of this Document	2 December 2011
Issue of VCT/EIS Placing Shares and CREST accounts credited for VCT/EIS Placing Shares in uncertificated form	6 December 2011
Issue of VCT Placing Shares and CREST accounts credited for VCT Placing Shares in uncertificated form	7 December 2011
Admission becomes effective, issue of General Placing Shares, CREST accounts credited for General Placing Shares in uncertificated form and commencement of dealings in the Existing Ordinary Shares and the Placing Shares on AIM	8.00 a.m. on 8 December 2011
Completion of the Acquisitions	8 December 2011
Despatch of definitive share certificates for the Placing Shares in certificated form by no later than	16 December 2011

*Note: All references to time in this timetable are to London time and each reference to a time or date may be subject to change.*

## PLACING STATISTICS

Placing Price	20 pence per share
Number of Existing Ordinary Shares	4,080,755
Number of VCT/EIS Placing Shares	12,531,000
Number of VCT Placing Shares	23,501,000
Number of General Placing Shares	23,748,235
Number of Ordinary Shares in issue immediately following Admission	63,860,990
Number of Ordinary Shares on a fully diluted basis immediately following Admission*	111,256,259
Percentage of the Enlarged Share Capital subject to the Placing	54 per cent.
Market capitalisation of the Company on Admission at the Placing Price	£12.8 million
Estimated cash proceeds of the Placing receivable by the Company (net of commissions and expenses)	£9.9 million
AIM symbol	TLA
International Security Identification Number	GB00B68HD384

*\*on the basis that the Deferred Consideration Shares have been issued*

## DIRECTORS, SECRETARY AND ADVISERS

<b>Directors</b>	Bart Campbell, <i>Non-Executive Chairman</i> Michael J. Principe, <i>Chief Executive Officer</i> Greg Genske, <i>Executive Director</i> Peter Moore, <i>Non-Executive Director</i> Keith Sadler, <i>Non-Executive Director</i>
<b>Company Secretary</b>	Dwight Mighty
<b>Registered Office</b>	6-8 Bouverie Street London EC4Y 8DD
<b>Company Website</b>	www.tlaww-plc.com
<b>Nominated Adviser and Broker</b>	<b>Cenkos Securities plc</b> 6.7.8 Tokenhouse Yard London EC2R 7AS
<b>Legal advisers to the Company as to English law</b>	<b>DAC Beachcroft LLP</b> 100 Fetter Lane London EC4A 1BN
<b>Legal advisers to the Company as to US law</b>	<b>Herrick, Feinstein LLP</b> 2 Park Avenue New York, New York 10016
<b>Legal advisers to the Nominated Adviser and Broker</b>	<b>Berwin Leighton Paisner LLP</b> Adelaide House London Bridge London EC4R 9HA
<b>Reporting Accountants and Auditors</b>	<b>Deloitte LLP</b> Abbots House Abbey Street Reading RG1 3BD <i>(Registered as auditors by the Institute of Chartered Accountants in England and Wales)</i>
<b>Bankers</b>	<b>Sun Trust Bank</b> 303 Peachtree Street 32nd Floor Atlanta, GA 30308  <b>HSBC UK</b> West End Corporate Banking Centre 69 Pall Mall London SW1Y 5EY
<b>Registrars</b>	<b>Neville Registrars Limited</b> Neville House 18 Laurel Lane Halesowen West Midlands B63 3DA

## DEFINITIONS

The following definitions apply throughout this Document unless the context otherwise requires:

“\$”	US dollars, the lawful currency of the United States
“Acquisition Agreements”	the Agency Agreement and the Legacy Agreement
“Acquisitions”	the acquisitions to be made by TLA Acquisitions Limited pursuant to the Acquisition Agreements
“Admission”	the admission of the Existing Ordinary Shares and the Placing Shares to trading on AIM becoming effective in accordance with the AIM Rules for Companies
“Agency Agreement”	the agreement dated 16 September 2011 (as amended by an agreement dated on 21 November 2011) between (1) Goal Marketing, LLC, (2) Goal Marketing II, LLC, and (3) The Agency Sports Management, LLC (together “The Agency”), (4) their members (Jordan Bazant, Peter Raskin, Russ Spielman, Andrew Witlieb and Kevin Canning), (5) TLA Acquisitions Limited and (5) The Legacy Agency, Inc., pursuant to which The Agency conditionally agreed to sell certain businesses and assets to the Group
“Agency Deferred Consideration Shares”	13,919,531 new Ordinary Shares to be issued to The Agency pursuant to the Agency Agreement
“Agency Members”	Jordan Bazant, Peter Raskin, Russ Spielman, Andrew Witlieb and Kevin Canning
“AIM”	the market of that name operated by the London Stock Exchange
“AIM Rules”	the AIM Rules for Companies and the AIM Rules for Nominated Advisers
“AIM Rules for Companies”	the rules which set out the obligations and responsibilities in relation to companies whose shares are admitted to AIM as published by the London Stock Exchange from time to time
“AIM Rules for Nominated Advisers”	the rules which set out the eligibility, obligations and certain disciplinary matters in relation to nominated advisers as published by the London Stock Exchange from time to time
“Articles”	the articles of association of the Company, a summary of which is set out in paragraph 5 of Part VII of this Document
“Board” or “Directors”	the current directors of the Company, whose names are set out on page 6 of this Document
“Business Day”	any day (other than a Saturday, Sunday or a public holiday) on which banks are generally open in the City of London for the transaction of normal banking business
“CAGR”	compound annual growth rate
“Cenkos”	Cenkos Securities plc, the Company’s nominated adviser and broker
“certificated” or “in certificated form”	a share or other security recorded on the relevant register of the relevant company as being held in certificated form and title to which may be transferred by means of a stock transfer form

“City Code”	the City Code on Takeovers and Mergers
“Code”	the UK Corporate Governance Code as published by the Financial Reporting Council
“Companies Act 2006”	the Companies Act 2006 to the extent in force from time to time
“Company”	TLA Worldwide plc, a public limited company incorporated in England and Wales with registration number 07741649
“CREST”	the relevant system (as defined in the CREST Regulations) and the holding of shares in uncertificated form in respect of which Euroclear is the operator (as defined in the CREST Regulations)
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended
“Debt Financing”	the facility of \$10 million granted to The Legacy Agency, Inc., a wholly-owned subsidiary of the Company, by SunTrust Bank on 2 December 2011, details of which are provided in paragraph 13.3 of Part VII of this Document
“Deferred Consideration Shares”	Legacy Deferred Consideration Shares and Agency Deferred Consideration Shares
“Disclosure and Transparency Rules” or “DTR”	the rules and regulations made by the FSA in its capacity as the UKLA under part VI of FSMA, as amended, and contained in the UKLA publication of the same name
“Document”	this document
“EBITDA”	earnings before interest, tax, depreciation and amortisation
“DTR 5”	Rule 5 of the DTR
“EIS”	the enterprise investment scheme, as particularised in part V of the Income Tax Act 2007
“Enlarged Share Capital”	the enlarged issued ordinary share capital of the Company immediately following Admission, comprising the Existing Ordinary Shares and the Placing Shares (and assuming that the Deferred Consideration Shares are in issue at that time)
“Euroclear”	Euroclear UK & Ireland Limited, a company incorporated in England and Wales with registration number 2878738, whose registered address is at 33 Cannon Street, London EC4M 5SB
“Existing Ordinary Shares”	the 4,080,755 Ordinary Shares in issue as at the date of this Document
“Financial Services Authority” or “FSA”	the United Kingdom Financial Services Authority
“FSMA”	the Financial Services and Markets Act 2000 of the United Kingdom, as amended
“General Placing”	the conditional placing by Cenkos on behalf of the Company at the Placing Price of the General Placing Shares pursuant to the Placing Agreement
“General Placing Shares”	23,748,235 New Ordinary Shares to be issued by the Company pursuant to the General Placing

“Group”	the Company and its subsidiaries, TLA Acquisitions Limited and The Legacy Agency, Inc.
“HMRC”	Her Majesty’s Revenue & Customs
“IFRS”	the International Financial Reporting Standards as adopted by the International Accounting Standards Board and the European Union
“Legacy”	LS Legacy Sports Group, LLC, a Delaware limited liability company
“Legacy Agreement”	the agreement dated 16 September 2011 (as amended by an agreement dated 21 November 2011) between (1) Legacy, (2) its members (Gregory Genske, Scott Parker and Brian Peters), (3) TLA Acquisitions Limited, (4) The Legacy Agency, Inc. and (5) the Company, pursuant to which Legacy conditionally agreed to sell certain of its business and assets to the Group
“Legacy Deferred Consideration Shares”	33,475,738 new Ordinary Shares to be issued to Legacy pursuant to the Legacy Agreement
“Legacy Members”	Gregory Genske, Scott Parker and Brian Peters
“Lock-in Agreements”	the lock-in and orderly market agreements described in paragraph 13.5 of Part VII of this Document
“Locked-in Persons”	the Directors (who are Shareholders) and each of Dwight Mighty, Legacy, The Agency and the Legacy Members and the Agency Members (as and when applicable)
“London Stock Exchange”	London Stock Exchange plc
“New Ordinary Shares”	new Ordinary Shares in the capital of the Company, including the VCT/EIS Placing Shares, the VCT Placing Shares and the General Placing Shares
“Official List”	the list maintained by the UKLA in accordance with section 74(1) of FSMA for the purposes of Part VI of FSMA
“Ordinary Shares”	the ordinary shares of 2p each in the capital of the Company
“Placees”	those persons subscribing for or purchasing the Placing Shares in the Placing at the Placing Price
“Placing”	the VCT/EIS Placing, the VCT Placing and the General Placing
“Placing Agreement”	the conditional agreement dated 2 December 2011 between (1) the Company, (2) the Directors and (3) Cenkos relating to the Placing, details of which are set out at paragraph 13.4 of Part VII of this Document
“Placing Price”	20p per Placing Share
“Placing Shares”	VCT/EIS Placing Shares, VCT Placing Shares and General Placing Shares
“QCA Guidelines”	the corporate governance guidelines for smaller quoted companies published by the Quoted Companies Alliance (September 2010)
“Restricted Jurisdiction”	the United States of America, Australia, Canada, Republic of South Africa, Japan, New Zealand or any other jurisdiction in which it is a violation of the relevant laws, local laws or regulations of such jurisdiction to release, publish or distribute information concerning

	the Placing or Admission, directly or indirectly, in, into or from, or by use of the mails of, or by any means or instrumentality (including, without limitation, facsimile transmission, telex, telephone or email) of interstate or foreign commerce of, or by any facility of a national exchange of, such jurisdiction
“Shareholders”	the persons who are registered as holders of the Ordinary Shares
“Substantial Shareholder”	any person who, on Admission, holds any legal or beneficial interest directly or indirectly in 10 per cent. or more of the Enlarged Share Capital or voting rights of the Company, as defined by the AIM Rules for Companies
“Takeover Panel”	the UK Panel on Takeovers and Mergers
“The Agency”	Goal Marketing, LLC, a New York limited liability company, Goal Marketing II, LLC, a New York limited liability company and The Agency Sports Management, LLC, a New York limited liability company
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“UKLA”	the Financial Services Authority acting in its capacity as competent authority under the Financial Services and Markets Act 2000, as amended
“uncertificated” or “in uncertificated form”	a share or other security recorded on the relevant register of the relevant company concerned as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
“US” or “United States”	the United States of America, its territories and possessions, any states of the United States of America and the District of Columbia and all other areas subject to its jurisdiction
“VAT”	value added tax
“VCT”	a company satisfying the requirements of chapter 3 of part 6 of the Income Tax Act 2007, as amended, for venture capital trusts
“VCT Placing”	the conditional placing by Cenkos on behalf of the Company at the Placing Price of the VCT Placing Shares pursuant to the Placing Agreement
“VCT Placing Shares”	23,501,000 new Ordinary Shares to be issued by the Company pursuant to the VCT Placing
“VCT/EIS Placing”	the conditional placing by Cenkos on behalf of the Company at the Placing Price of the VCT/EIS Placing Shares pursuant to the Placing Agreement
“VCT/EIS Placing Shares”	12,531,000 new Ordinary Shares to be issued by the Company pursuant to the VCT/EIS Placing

# PART I

## INFORMATION ON THE GROUP

### 1. Overview

TLA Worldwide plc is a newly incorporated company which, through its newly incorporated subsidiaries, has entered into conditional agreements to acquire all or substantially all of the business and assets of Legacy and The Agency. Following the Acquisitions, the Group will become a leading representation and marketing business focused primarily on professional baseball in the United States.

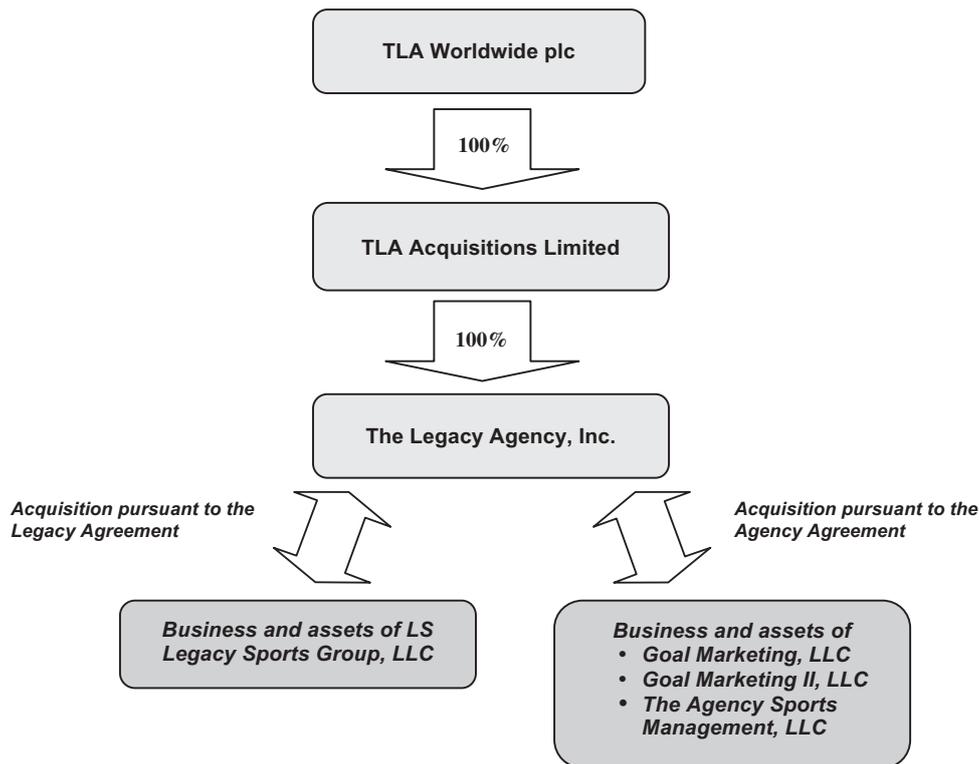
Major League Baseball is a long-established sport in the United States with an attendance at MLB games of 73 million in 2010 and gross revenues of approximately \$7.0 billion, of which \$2.8 billion was paid out to players. The scale and economics of the sport create an attractive environment for agencies involved in player representation, media, marketing and events. Furthermore, the Directors believe that there is an opportunity in the sector for player representation agencies to develop the off-field marketing potential of their clients which the Group will aim to capitalise on.

The founders of the Group are Mike Principe and Bart Campbell who identified an opportunity to consolidate and professionalise the baseball athlete representation sector and to create a full service offering by combining the sports marketing capability of the Agency with the athlete representation business of Legacy.

For the year ended 31 December 2010, Legacy and The Agency generated combined revenues of \$11.4 million, combined adjusted EBITDA of \$5.5 million and combined operating profit of \$4.4 million. For the six months ended 30 June 2011 they generated combined revenues of \$6.7 million, combined adjusted EBITDA of \$3.3 million and a combined operating profit of \$3.1 million. An explanation of the presentation of financial information in this Document is set out in paragraph 22 of this Part I.

The combined initial consideration for the Acquisitions is \$40.95 million, comprising \$26.1 million in cash payable on completion of the Acquisitions; \$10.9 million to be satisfied by the issue of 34.8 million New Ordinary Shares on the second anniversary of completion of the Acquisitions; and \$3.95 million of deferred consideration that, if not paid in cash prior to the second anniversary of the completion of the Acquisitions, shall be payable in Ordinary Shares. In addition, a further combined \$12.3 million earn-out will be payable to Legacy and The Agency over five years, subject to certain financial targets being achieved. A further \$1.25 million retention bonus will be payable on the fifth anniversary of completion of the Acquisitions subject to retention criteria.

The Company is raising approximately £11.96 million (approximately \$18.76 million) by a placing of new Ordinary Shares, the net proceeds of which, together with the Group's new \$10 million debt facility, will be used to fund the cash consideration due to each of Legacy and The Agency on completion of the Acquisitions, with the balance to be used for the Group's future working capital requirements.



## 2. Market Overview and Industry Trends

Major League Baseball in the United States is a long-established sport with broad and growing international appeal. In 2010, attendance at MLB games reached 73 million and MLB generated gross revenues of approximately \$7.0 billion, \$2.8 billion of which was paid out to players, representing only 40 per cent. of revenues. The scale and economics of the sport provide an attractive environment for agencies involved in player representation, media, marketing and events.

### Overview of MLB

- MLB is the highest level of professional baseball in North America. It is one of the four major professional sports leagues in the United States and Canada. The others being the National Basketball Association (“NBA”), the National Football League (“NFL”), and the National Hockey League (“NHL”).
- Minor League Baseball is a hierarchy of professional leagues that compete below that of MLB and provide opportunities for player development.
- Today, 19 minor league baseball leagues operate with 241 member clubs in large, medium and small towns, as well as the suburbs of major cities, across the United States, Canada, Mexico, the Dominican Republic and Venezuela.
- Under the direction of the Commissioner of Baseball (currently Allan “Bud” Selig), MLB hires and maintains the sport’s umpiring crews and negotiates central sponsorship, marketing and TV contracts. MLB also negotiates many of the key non salary terms such as performance-enhancing drug testing and player discipline policies for player contracts on a collective basis with the Major League Baseball Players Association (“MLBPA”). The major issues which are negotiated individually are compensation and length of term.
- MLB is comprised of 30 teams (29 in the U.S. and one in Canada) and is divided into the American League (14 teams) and the National League (16 teams).

- Each team plays 162 games in a regular season. The regular season runs from April to September, with the post-season played in October and early November. The MLB post season culminates in playoffs between the top four teams in each league leading to the World Series between the league champions.
- The full MLB season provides a large volume of programming content for broadcasters and marketing opportunities for sponsors at a national, regional and local level.
- A unique feature of the MLB structure is the “Revenue Sharing” plan among MLB teams. Under the revenue sharing plan, high-revenue clubs transfer revenue to low-revenue, generally smaller clubs to promote parity and ensure financial viability of all MLB teams.
- Unlike the NBA or NFL, MLB does not have either a salary cap for players or a fee cap for agents.

### *Overview of MLB Economics*

- Notwithstanding the global economic downturn, MLB generated gross revenues of approximately \$7.0 billion in 2010, an all-time high and an increase of six per cent. over the then-record 2009 revenues of \$6.6 billion (Source: Major League Baseball). The 2010 total attendances were over 73 million (Source: Major League Baseball), which is believed to be higher than the annual total combined attendance for NFL, NBA and NHL.
- MLB also generates online revenues from merchandising, advertising and sponsorship through its interactive media and internet business, MLB Advanced Media, L.P. (“**MLBAM**”) and its website MLB.com. In 2010, MLBAM sold 34 million tickets to MLB games online, which represents nearly half of the league’s 2010 attendance (Source: SportsBusiness Journal). MLBAM is owned by a consortium of all the MLB clubs’ owners.
- Historically, MLB has not been materially affected by negative economic environments. The average MLB salary and total MLB player payroll have steadily increased over the last ten years. Between 1999 and 2010:
  - the average MLB salary increased from \$1.7 million in 1999 to \$3.3 million in 2010, a (“**CAGR**”) of 6 per cent.;
  - total MLB payroll increased from \$1.5 billion in 1999 to \$2.9 billion in 2010 a 6 per cent. CAGR; and
  - total MLB revenues increased from \$2.8 billion in 1999 to \$7.0 billion in 2010 a 9 per cent. CAGR.
- The value of the national television rights for MLB have increased significantly over the last decade:
  - the average annual value of the ESPN’s national TV contract increasing from \$142 million (for the period between 2000 and 2005) to \$296 million (for the period between 2006 and 2013). Source: PSB Media: Television Sports Rights, 2008.

### *International Presence*

- MLB has evolved from being America’s traditional “national pastime” to a growing “international game” with increasing worldwide appeal. As of 2009, MLB reported that baseball is broadcast in more than 200 countries and territories.
- 28 per cent. of the players comprising the 2011 MLB rosters were born outside the United States, representing 14 countries and territories (Source: Major League Baseball). 47 per cent. of minor league players under contract in 2011 were born outside the United States, representing 41 countries and territories (Source: The 2011 Racial and Gender Report Card: Major League Baseball).
- MLB’s strategy is to promote further the sport of baseball internationally.
- There are two active international tournaments considered by the International Baseball Federation (IBF) to be major world championships, the World Baseball Classic and the Baseball World Cup.

- In 2006, MLB, MLBPA and the International Baseball Federation created the World Baseball Classic (WBC) tournament style championship with participation of 16 countries. The tournament was played for a second time in 2009. The next tournament will be played in March 2013 with qualifying games played in the autumn of 2012. The 2013 tournament will be expanded to include 28 baseball-playing nations.
- Professional baseball leagues exist in many countries outside of North America, including Japan, Venezuela, Korea, Taiwan, Australia, Italy, the Netherlands and China. Countries in the Caribbean, notably the Dominican Republic and Cuba, have a very strong baseball culture.

### ***Representation Industry and Market***

- The total addressable market for baseball player representation agencies is comprised of 1,200 players, as each major league club has a 40-man roster.
- The representation industry remains highly fragmented. The Company estimates that there are approximately 60 to 70 representation groups throughout the US, with no single firm having 10 per cent. market share based on number of athletes represented.
- A player's top earning period generally begins after three years' service in MLB. As a rule, for the first three years of a player's career his compensation is determined by his club and subject to a minimum annual wage requirement (currently \$414,000). After this three year period, a player can start to benchmark and increase his salary against other established players in the market on the basis of performance and tenure. This is known as gaining "Arbitration Eligibility Rights". After six years in MLB a player can, if he is coming out of contract with his club, become a "free agent". At this point a player can negotiate his next playing contract with any MLB club and maximise his earning potential.
- The MLBPA is the ultimate regulatory authority for the baseball representation industry. The MLBPA is the sole and exclusive collective bargaining representative for all MLB players. To recruit, represent or advise a baseball player in negotiating the term of a MLB player contract, an agent must be certified by the MLBPA. Any dispute between a player and an agent must be filed with the MLBPA and is subject to the arbitration procedures and regulations specified in the MLBPA Regulations governing player agents. Further information regarding the regulatory environment for the baseball representation industry is set out in Part II.

### ***Overview of Baseball Contracts***

- Increasing game attendance, rising ticket prices, the success of MLB.com and the growth of regional sports networks have helped fund strong salary growth over the past decade. MLB does not have a salary cap, which enables high value, long term contracts to be negotiated for players who have become free agents.
- Compensation and benefits under player contracts are guaranteed for the life of the contract by MLBPA even when the player faces on-field injury, lack of skill or death. In practice, MLB also seeks to ensure that a team's salary obligations are met and satisfied, regardless of the financial health of the club. For example, MLB covered the player obligations of the Texas Rangers in 2009 by loaning the funds to the club whilst its ownership structure was in transition. If players are not paid they become free agents immediately, which is not in the interests of MLB and would cause great damage to the franchise through increased player and team uncertainty and its follow-on impact on advertising and television revenues.
- Agent fees are typically 4-5 per cent. of the value of a player contract (including any performance incentives) and 10-20 per cent. of fees generated from commercial revenues derived from a player's public profile.

- Unlike the NFL and NBA, MLB does not have a cap on agents fees. However, the MLBPA stipulates that agents cannot charge a fee unless the player's salary negotiated exceeds the MLB minimum of \$414,000 per annum.
- Agents typically give clients the option to pay monthly, quarterly, semi-annually or annually, as long as the payments are made within the calendar year of a baseball season, which runs between April and November. Any performance-based incentive payments for a completed MLB season are generally collected in December.
- In the case of dispute between agent and player, a binding arbitration mechanism outlined in the MLBPA agent regulations exists to resolve such issues.

### ***Sports Marketing***

The global sports sponsorship market was worth \$31.3 billion in 2010 (Source: PricewaterhouseCoopers). In North America, the sports sponsorship market was worth \$11.6 billion in 2010 and is forecast to grow by 4.2 per cent. per year to \$13.3 billion in 2013.

The drivers of marketing in baseball are:

- the quest of corporations for increased brand exposure and recognition. Corporations are looking beyond traditional means of media advertising (e.g. television, radio, print, signage and web ads) and spending increasing amounts to place their name and products in front of consumers and investors through sport.
- many advertisers have refocused their marketing initiatives on highly specific and targeted marketing where the return on advertising and marketing spend is high. Increasingly this includes teams, athletes and in-stadia advertising. Sponsorship, endorsement, and promotion activity with recognisable teams and individuals creates an excellent opportunity for targeted marketing.
- the large number of baseball games played in a season – 162 games per regular season per team – coupled with the regional nature of the teams' support gives sponsors and advertisers an opportunity for substantial, relevant and targeted exposure.

### **3. Business Overview**

The Group's business will comprise:

- athlete representation;
- talent and sports marketing; and
- event creation, ownership and management.

#### ***Athlete Representation***

- The Group's initial baseball representation client list will have a balanced mix of established all-stars, emerging MLB athletes and minor league talent. Having emerging MLB athletes and minor league talent as part of its client base gives the Group a platform to maintain and grow its representation fees as established stars retire.
- The Group's athlete representation business has a relatively high level of revenue visibility, with commission revenue based on a player's contracted revenue with his team.
- The average age of Legacy's top ten baseball players is 30. The Directors believe that age profile of Legacy's top clients coupled with Legacy's client retention record creates a positive driver for growth.
- In addition to representing players, the Group will also represent coaches and managers.

- The Group will offer its clients a full suite of representation services including contract negotiation, arbitration, marketing, endorsement and broadcast representation, public relations, tax preparation, travel planning and charities administration.
- The agents who are joining the Group pursuant to the Acquisitions are experienced and have negotiated a number of the largest contracts in the MLB, including three \$125 million+ deals.
- The Group will continue to seek to identify talented players and attract them at an early stage in their careers. The Group will continue to recruit new clients through strong industry relationships, agent's personal networks, reputation and current and former client referrals.

### ***Talent & Sports Marketing***

- The Group will include a full-service marketing and talent management company specialising in the representation of high-profile personalities and brands. The Group advises athletes and entertainers in relation to marketing and sponsorship opportunities and sells sponsorships for and on behalf of its corporate clients. The principals of the Group have relationships in North America with many of the leading broadcasters, public relations firms, leagues, teams and television networks. This gives the Group the ability to maximise the opportunities open to its clients.
- The Directors believe that the combination of baseball representation as well as talent and sports management will enhance the Group's offering, creating an opportunity to further strengthen the Group's athlete recruiting, servicing and retention rates. The Group's resources will enable it to provide a comprehensive suite of services.
- The Agency's customer offering will provide the Group with a comprehensive and wide ranging group of services which are available to the Group's athlete clients. This will further extend their earnings potential through endorsement, speaking, broadcasting, coaching and other off-the-field commercial opportunities following the cessation of their playing days.

### ***Event Creation, Ownership & Management***

- The Group intends to develop and own baseball themed events as well as their intellectual property (branding and distribution rights). The Company will manage or control every aspect of these events, from planning to execution and this, combined with the expected short period of approximately 12 months to establish an event, makes it an attractive opportunity for the Group. It is anticipated that the first such event will take place within 24 months of completion of the Acquisitions.
- The Group's management have a proven track record and experience in a broad range of event development and execution facets including sponsorship, merchandising, ticket sales, television production and distribution.

## **4. Information on Legacy and The Agency**

### **4.1 Legacy**

Legacy is a leading baseball representation business headquartered in Newport Beach, California. Legacy was founded in 2004 by its principals Greg Genske, Brian Peters and Scott Parker when they acquired the assets and businesses of Steinberg & Moorad. The business has a team of agents collectively possessing an expertise in contract law, negotiation, finance, statistics and marketing.

Legacy's agents take a multifaceted approach to client representation, including contract negotiation, marketing and providing its clients with resources, guidance and support for their daily affairs. Legacy employs a team approach where multiple agents service clients and work on strategy for each individual, as opposed to "one agent one client". Legacy has negotiated several of the largest contracts in MLB's history for its clients.

In contemplation of the acquisition of Legacy's business, Greg Genske has joined the board of the Company as an executive director. The other founders of Legacy will also remain with the Group following Admission. As part of the Group they will aim to continue to recruit new clients through

their strong industry relationships, personal network, reputation and current and former client referrals.

#### 4.2 *The Agency*

The Agency is based in New York City and was founded in 2000 by Jordan Bazant and Andrew Witlieb, with partners Peter Raskin and Russ Spielman joining in 2004.

The Agency is a leading full-service independent marketing and management company specialising in the representation of high-profile personalities and brands. The firm represents established and rising stars in sports, media, entertainment and celebrity chefs. Its services include:

- talent representation;
- lifestyle and entertainment marketing;
- media;
- licensing;
- corporate consulting; and
- literary/publishing;

The founders of The Agency will remain with the Group following Admission.

Owing to the breadth of its combined clientele and the complementary nature of services, the Company expects significant opportunities for cross and up-selling across the Group. The Agency will enable Legacy to offer additional commercial opportunities to its clients through The Agency's corporate network. The Agency will be well positioned to identify, negotiate and monetise off-field endorsement opportunities for Legacy clients at both the regional and national levels. In addition, The Agency will be able to help secure post-playing career broadcasting and marketing opportunities for clients once they retire from professional baseball. This gives the Group the ability to continue extending the life of clients' fee paying years. Furthermore, the Directors believe that the combined corporate network of the Group will be of value in recruiting new representation clients.

### 5. **Strategy**

The Group's aim is to become the pre-eminent, fully-integrated representation and marketing services provider to the baseball industry and over time, to other sports. The Group's strategy includes:

- to continue to expand its pool of baseball representation clients through both organic growth and acquisitions;
- to identify and exploit cross-selling opportunities of the Group's services to its athlete clients, generating incremental revenue and improving recruitment and retention rates;
- to leverage the scale and profile resulting from the integration of the two acquisitions as well as the experience of the Group's management and board to develop relationships with athletes, advertisers and other industry participants;
- to develop new events around the baseball industry which the Directors believe is underserved which will assist in increased awareness of the sport and generate accretive event revenues for the Group;
- to attract additional, well-networked agents through the scale and capital resources of the unified platform;
- to identify and exploit opportunities for in-stadia advertising; and
- to select additional tuck-in acquisitions of player representation, event management, and marketing organizations to further enhance the scale and depth of the Group.

## 6. Management and Board

### *Michael J. Principe – Chief Executive Officer*

Mr. Principe most recently served as the managing director of Blue Entertainment Sports Television (“**BEST**”), an industry leader in sports marketing, management and production which was recently acquired by Lagardère Unlimited (“**Lagardère**”). Mr. Principe brings nearly 15 years of experience in sports and entertainment deal making, management, and operations to his role as Chief Executive Officer of the Group. As Managing Director of BEST, he was responsible for day to day operations, acquisitions and growth strategy. BEST engaged in talent representation, television rights and production, event production and operation and sponsorship sales which gave Mr. Principe experience in all facets of sports and entertainment. Under Mr. Principe’s leadership, BEST was ranked No. 21 on Inc. magazine’s list of the 500 fastest growing private companies in 2009. BEST also was the top-rated company in Inc.’s “Media” category for that year.

In addition to his role with BEST, Mr. Principe also served as the Chief Operating Officer for its parent company, Blue Equity, LLC.

Prior to joining BEST, Mr. Principe held various executive positions with SFX Sports Group, Inc. (“**SFX**”), including that of Executive Vice President and as General Counsel. During his tenure with SFX, he was responsible for the agency’s business and legal affairs and served on the company’s Executive Committee.

Mr. Principe’s experience qualifies him as an authority in the industry and as such, he is a frequent lecturer and panelist and has been named to the *Sports Business Journal*’s prestigious “Forty Under 40” list.

A member of the New York Bar and the Sports Lawyers Association, Mr. Principe is a graduate of the Washington University School of Law in St. Louis, Missouri. As a Robert & Mary Welborn Scholar, he obtained his Juris Doctor in 1995. Mr. Principe received his Bachelor of Arts from Washington University and graduated, *cum honore*, in 1992.

### *Bart Campbell – Non-Executive Chairman*

Bart Campbell is the Chief Executive of the sports marketing and management business, Essentially Group plc (“**Essentially**”) which is part of Chime Communications PLC (“**Chime**”). He is a member of the executive board of Chime and is COO of the Chime Sports Marketing division which has 330+ staff in ten countries and reported revenues of £53.3 million for the year ended December 2010.

Prior to his role at Essentially, he founded Global Sports Management Ltd in 1999 which became a leader in its field and merged with Essentially Group plc in May 2006. During his tenure as CEO of Essentially, Mr. Campbell grew the business from 20 to 120 professionals with offices in London, Australia, South Africa, New Zealand, India and Japan. During that period the business enterprise value grew from \$15 million at the time of IPO in 2006 to over \$50 million at the time of the sale to Chime in October 2009.

Mr. Campbell is a former practicing sports and commercial lawyer, with a BA and LLB from Otago University in his native New Zealand. Mr. Campbell passed the bar before completing a Masters in Commercial Law (Hons) from Auckland University. He successfully completed the Advanced Management Program at Harvard Business School.

### *Peter Moore – Non-Executive Director*

Peter Moore has been COO of Electronic Arts Inc. (“**EA**”) since August 2011. Mr. Moore has more than 25 years of experience in gaming, entertainment and consumer products. As President of EA SPORTS from 2007 to 2011, he was responsible for strategic leadership of the brand, from product development to global marketing and planning for all packaged goods and digital services. Prior to joining EA, Mr. Moore was Corporate Vice President of the Interactive Entertainment Business of Microsoft Corp. Before joining Microsoft, Mr. Moore was president and COO of SEGA of America,

where he was responsible for overseeing SEGA's video game business in North America. Prior to his role at SEGA, Mr. Moore was senior vice president of marketing at Reebok International Ltd.

Mr. Moore holds a bachelor's degree from Keele University, United Kingdom, and a Master's Degree from California State University, Long Beach.

*Greg Genske – Executive Director*

Greg Genske became CEO of Legacy in 2004.

Mr. Genske has served as lead negotiator for the contracts signed by Legacy clients dating back to 2004. Mr. Genske has advised amateur athletes in the MLB and NFL drafts, including the first pick overall in the 2004 and 2008 MLB drafts. He has been named in the *Sports Business Journal's* prestigious "Forty Under 40" list.

Prior to entering the sports industry, Mr. Genske practised with two leading national law firms as a trial attorney and also negotiated complex multi-million dollar transactions on behalf of emerging growth and Fortune 500 companies.

Mr. Genske holds a bachelor's degree from Pepperdine University and J.D. from Boalt Hall School of Law at University of California at Berkeley.

*Keith Sadler – Non-Executive Director*

Keith Sadler has been Group Finance Director of Digital Marketing Group plc since 2009.

Mr. Sadler was formerly Chief Executive and Group Finance Director of SPG Media Group plc, a marketing services company. Prior to this he was Group Finance Director and Company Secretary of The Wireless Group plc and two quoted regional newspaper publishers, News Communication and Media plc and Bristol United Press plc. Before this he was Treasurer of Mirror Group Newspapers plc.

Mr. Sadler is a chartered accountant and holds an honours degree in economics from the University of Kent and has financial oversight responsibility from a board level until a Finance Director is appointed shortly following Admission.

*Finance Director*

The Directors have resolved to appoint a Finance Director shortly after Admission.

*Dwight Mighty – Company Secretary*

Dwight Mighty joined Essentially Group plc ("**Essentially**"), an AIM listed sports marketing and management business in February 2007 as Chief Financial Officer and became Chief Operating Officer in March 2008. Following the acquisition of Essentially by Chime Communications plc, Mr. Mighty was a member of the board of Chime Sports Marketing division until December 2010.

Prior to joining Essentially, Mr. Mighty was an Executive Director of Corporate Synergy plc, a corporate finance and securities, specialising in private company and private equity advisory, with a focus on the leisure/sport and media sectors. Previously Mr. Mighty spent over 15 years in the private equity sector latterly as a senior director with Gresham Private Equity and prior to this with HSBC Private Equity.

Mr. Mighty has led the acquisition and integration of seven businesses in the sports marketing and management sector.

Mr. Mighty holds an MBA from Henley Management College and is an Associate of the Chartered Institute of Bankers in England.

### *Samir Mayur – Vice President*

Samir Mayur most recently served in business development at Blue Entertainment Sports Television (“BEST”), an industry leader in sports marketing, management and production which was acquired by Lagardère Unlimited (“Lagardère”). In this role, he was responsible for assisting in the overall management of the practice, which included day to day operations and performing due diligence on potential acquisitions. He was actively involved with implementing BEST’s corporate growth strategy pertaining to talent representation, digital media, television rights and production, event production, and sponsorship sales.

Prior to entering the sports industry, Mr. Mayur was an analyst at VantagePoint Venture Partners \$4.5 billion multi-stage venture capital firm. While at VantagePoint, he evaluated and executed equity investment opportunities in the information technology and media sectors. Mr. Mayur began his career as an analyst in the investment banking division at Morgan Stanley.

Mr. Mayur holds an MBA from The Wharton School at the University of Pennsylvania and a BA in Economics from the University of Pennsylvania.

## **7. Current trading and prospects**

For the six months ended 30 June 2011, Legacy and The Agency generated combined revenues of \$6.7 million, combined adjusted EBITDA of \$3.3 million and combined operating profit of \$3.1 million. Definitions of combined measures and adjusted EBITDA are set out in paragraph 22 of this Part I. The Directors are confident that the financial performance for the combined businesses is in line with management expectations.

## **8. Dividend Policy**

It is the Directors’ intention for the Company to achieve capital growth and the Directors believe it is inappropriate to attempt to predict the likely level or timescale for the declaration and payment of dividends by the Company. However, as soon as it becomes commercially prudent to declare dividend payments and subject to the then availability of sufficient distributable reserves for the purpose, the Directors intend to do so.

## **9. Management Incentivisation**

Following Admission, the Company will put in place an incentive scheme, initially for Mr. Principe, Mr. Campbell and Mr. Mighty only, over 12.5 per cent. of the Enlarged Share Capital. The 12.5 per cent. is to be split into four equal tranches of 3.125 per cent. which will be awarded when the average share price over a three month period reaches 30p, 40p, 50p and 60p. The awards will vest after five years. In the event of a change of control the awards will vest immediately and to the extent that the share price is within bands the relevant tranche will be awarded on a pro rata basis.

## **10. Shareholdings of Directors and management**

Mike Principe, Bart Campbell and Dwight Mighty have expended a substantive amount of resources establishing the Group. Collectively, they have subscribed for 4,080,755 Ordinary Shares at an average price of 7.9 pence per share.

## **11. Corporate Governance**

The Directors recognise the importance of sound corporate governance and the Group intends, following Admission, to comply with the provisions of the QCA Guidelines and to adopt certain features of the Combined Code insofar as they are appropriate given the Group’s size and stage of development. The Board is responsible for formulating, reviewing and approving the Group’s strategy, budgets and corporate actions. The Directors intend to hold meetings of the Board 12 times per annum and at other times as and when required. Conditional on Admission the Group has established the audit and remuneration committees with formally delegated duties and responsibilities.

(a) ***Audit Committee***

The Audit Committee will have the primary responsibility of monitoring the quality of internal controls and ensuring that the financial performance of the Group is properly measured and reported on. It will receive and review reports from the Group's management and external auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Group. The Audit Committee will meet not less than twice in each financial year and will have unrestricted access to the Group's external auditors. The members of the Audit Committee shall include two non-executive Directors identified by the Board as independent. On Admission the Audit Committee shall comprise Bart Campbell, Keith Sadler and Peter Moore.

(b) ***Remuneration Committee***

The Remuneration Committee will review the performance of the executive directors and make recommendations to the Board on matters relating to their remuneration and terms of service. The Remuneration Committee will also make recommendations to the Board on proposals for the granting of share options and other equity incentives pursuant to any employee share option scheme or equity incentive plans in operation from time to time. The Remuneration Committee will meet as and when necessary.

In exercising this role, the Directors shall have regard to the recommendations put forward in the QCA Guidelines and, where appropriate, the Code guidelines. On Admission the Remuneration Committee shall comprise Bart Campbell, Keith Sadler and Peter Moore.

(c) ***Share Dealing Code***

The Board intends to comply and to procure compliance with Rule 21 of the AIM Rules for Companies relating to dealings in the Company's securities by the Directors and other applicable employees. To this end, the Company has adopted a code for directors' dealings appropriate for a company whose shares are admitted to trading on AIM and will take all reasonable steps to ensure compliance by the Directors and any relevant employees. The form of this code is substantially the same as the model code contained in the rules of the Official List.

## **12. The Placing**

The Company proposes to raise approximately £11.96 million (approximately \$18.76 million) by issuing the VCT/EIS Placing Shares, the VCT Placing Shares and the General Placing Shares, representing, in aggregate, approximately 54 per cent. of the Enlarged Share Capital. The net proceeds of the Placing will be used towards financing the cash consideration due on completion of the Acquisitions and otherwise for the Group's ongoing general working capital requirements.

**The Placing has not been underwritten by Cenkos. In addition, subscribers for Placing Shares should be aware of the possibility that the VCT/EIS Placing Shares might be issued (or the VCT/EIS Placing Shares and the VCT Placing Shares might be issued) but that none of the remaining Placing Shares are issued. In these circumstances, Admission will not take place and the Acquisitions will not proceed.**

The principal terms of the Placing Agreement are summarised in paragraph 13.4 of Part VII of this Document. The Placing Shares will, when issued, rank *pari passu* in all respects with the existing issued Ordinary Shares.

## **13. The Debt Financing**

The Legacy Agency Inc., a wholly owned subsidiary of the Company, has entered into a five year \$10 million term loan credit facility, which will be used to assist in the financing of the cash consideration due on completion of the Acquisitions. Further details of the terms of the Debt Financing are set out in paragraph 13.3 of Part VII of this Document.

#### **14. Lock in agreements**

The Locked-in Persons have agreed for their respective shareholdings and the Deferred Consideration Shares, respectively, to be subject to lock-ins for a period of 12 months from the date of Admission (or, in the case of the recipients of the Deferred Consideration Shares, from the time of issue of the Deferred Consideration Shares) and an orderly market agreement for a further period of 12 months thereafter. Further details of the Lock-in Agreements are set out in paragraph 13.5 of Part VII of this Document.

#### **15. Admission to AIM and dealings in Ordinary Shares**

Application will be made for the Existing Ordinary Shares and the Placing Shares to be admitted to trading on AIM. It is expected that Admission will become effective and dealings in the Ordinary Shares will commence on 8 December 2011.

#### **16. CREST**

CREST is a paperless settlement system enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument in accordance with the CREST Regulations.

The Ordinary Shares will be eligible for CREST settlement. Accordingly, following Admission, settlement of transactions in the Ordinary Shares may take place within the CREST system if a Shareholder so wishes. CREST is a voluntary system and Shareholders who wish to receive and retain shares certificates are able to do so.

For more information concerning CREST, Shareholders should contact their brokers or Euroclear at 33 Cannon Street, London EC4M 5SB or by telephone on +44 (0) 20 7849 0000.

#### **17. Risk factors**

Shareholders and other prospective investors in the Company should be aware that an investment in the Company involves a high degree of risk. Your attention is drawn to the risk factors set out in Part III of this Document.

#### **18. Taxation**

General information regarding UK taxation is set out in paragraph 15 of Part VII of this Document. These details are intended only as a general guide to the current tax position under UK taxation law. If an investor is in any doubt as to his tax position, he should consult his own independent financial adviser immediately.

#### **19. The City Code**

The Takeover Panel is an independent body, established in 1968, whose main functions are to issue and administer the City Code and to supervise and regulate takeovers and other matters to which the City Code applies in accordance with the rules set out in the City Code.

The Company is incorporated and registered in the UK and upon admission its securities will be admitted to AIM which is not a regulated market and, therefore, the Company falls to be considered under paragraph 3(a)(ii) of the Introduction to the City Code. However, the Company's place of central management is outside the UK, Channel Islands and Isle of Man. As a result, it will not be subject to the City Code and Shareholders will not be afforded any protections under the City Code. If circumstances change the Company will consult with the Takeover Panel to ascertain whether this will affect the central place of management of the Company. If the Takeover Panel determines that, as a result of such changes, the place of central management is then located in the UK, Channel Islands or Isle of Man such that the Code then becomes applicable to the Company, an announcement will be made.

The Company has incorporated certain provisions in its Articles which seek to provide Shareholders with certain protections otherwise afforded by the City Code in respect of companies to which the City Code applies. These provisions, like others contained in the Articles, are enforceable by the Company against Shareholders. However, the Company would need to take any action to enforce such provisions in the courts

without any guarantee that any such action would be successful or any certainty as to what the costs of doing so would be. Further details of the relevant provisions of the Articles are set out in paragraph 5 of Part VII of this Document.

## 20. VCT Legislation

The Company has received provisional clearance from HMRC that the Company should be a qualifying company for the purposes of the VCT legislation. HMRC has provisionally assured the Company that the New Ordinary Shares will be eligible shares for the purposes of section 285(3) of the Income Tax Act 2007 and that the Ordinary Shares held by VCTs will be “qualifying holdings” for the purposes of Chapter 4, Part 6, Income Tax Act 2007.

The clearance obtained relates only to the qualifying status of the Company and its shares and does not guarantee that any particular VCT will qualify for relief in respect of an acquisition of New Ordinary Shares. The conditions for relief are complex and depend not only upon the qualifying status of the Company but upon certain factors and characteristics of the VCT concerned. VCTs who believe they may qualify for VCT relief should consult their own tax advisers regarding this.

The Company cannot guarantee or undertake to conduct its business following Admission, in a way to ensure that the Company will continue to meet the requirements of Chapter 4, Part 6, Income Tax Act 2007. The tax legislation in respect of VCTs is found in Part 6 of the Income Tax Act 2007 and sections 151A and 151B of the Taxation of Capital Gains Act 1992.

Neither the Company nor its advisers give any warranties or undertakings that VCT relief will be available or that, if given, such relief will not be withdrawn. **Investors considering making a qualifying VCT investment are recommended to seek their own professional advice in order that they may fully understand how the relief legislation may apply in their individual circumstances. Investors are also referred to the risk factors set out in Part III of this Document.**

## 21. EIS Legislation

The Company has also received provisional clearance from HMRC that the Company will be a “qualifying company” and the New Ordinary Shares will be eligible shares for the purposes of the enterprise investment scheme. Prospective investors who may be eligible for enterprise investment scheme relief are strongly recommended to consult their own professional advisers particularly on the conditions which must be satisfied to obtain such relief, the nature of the tax advantages which may be obtained, and the circumstances in which relief may be forfeited.

The Company cannot guarantee or undertake to conduct its business following the Admission, in a way to ensure that the Company will continue to meet the requirements of Part 5, Income Tax Act 2007.

Neither the Company nor its advisers give any warranties or undertakings that the EIS relief will be available or that, if given, such relief will not be withdrawn.

**Investors considering making a qualifying EIS investment are recommended to seek their own professional advice in order that they may fully understand how the relief legislation may apply in their individual circumstances. Investors are also referred to the risk factors set out in Part III of this Document.**

## 22. Presentation of Financial Information

Certain financial information contained in this Document has been extracted without material adjustment from the historical financial information of Legacy and The Agency that appears in Part IV (Financial Information on Legacy) and Part V (Financial Information on The Agency) of this Document and has been prepared in accordance with IFRS.

### **Additional financial measures**

This Document includes certain additional financial measures that are not measures defined by IFRS. These measures have been included for the reasons described below. However, these measures should not be used instead of, or considered as alternatives to, the historical financial information based on IFRS.

#### ***Combined revenue***

Combined revenue is the aggregation of the revenue of Legacy and The Agency.

#### ***Combined operating profit***

Combined operating profit is the aggregation of the operating profit of Legacy and The Agency.

#### ***Adjusted EBITDA and combined adjusted EBITDA***

Adjusted EBITDA is defined as operating profit adjusted to add back depreciation of property, plant and equipment, amortisation of acquired intangible assets and any other acquisition related charges, share based payment charges and exceptional items. Exceptional items are those items believed to be exceptional in nature by virtue of their size and/or incidence. There have been no other acquisition related charges, share based payment charges and exceptional items in any of the years ended 31 December 2010, 2009 or 2008, or the six months ended 30 June 2011, 2010, although the Directors believe that such items may arise in the future.

Historically, the members of Legacy were substantially remunerated through salaries and bonuses, which are charged to the income statement, whereas the members of The Agency were substantially remunerated through discretionary drawings, which are not charged to the income statement but instead recognised as distributions. In addition to the above, adjusted EBITDA in relation to the years ended 31 December 2010, 2009 or 2008 and the six months ended 30 June 2011, 2010 further adjusts operating profit to add back salaries, bonuses and any other remuneration of the existing members of Legacy and The Agency charged to the income statement, and then deducts remuneration equivalent to that the same members are entitled to subsequent to the Acquisitions.

Combined adjusted EBITDA is the aggregation of the adjusted EBITDA of Legacy and The Agency. Combined adjusted EBITDA for the year ended 31 December 2010 and the six months ended 30 June 2011 has been calculated as follows:

	<i>Six months ended 30 June 2011</i>			<i>Year ended 31 December 2010</i>		
	<i>Legacy</i>	<i>Agency</i>	<i>Combined</i>	<i>Legacy</i>	<i>Agency</i>	<i>Combined</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Operating profit	1,585	1,564	3,149	1,245	3,129	4,374
Add back depreciation	1	3	4	7	3	10
Add back amortisation of acquired intangible assets	–	–	–	75	–	75
Add back member remuneration charged to the income statement	1,036	–	1,036	2,818	–	2,818
Deduct member remuneration equivalent to that subsequent to the Acquisitions	(450)	(450)	(900)	(900)	(900)	(1,800)
Adjusted EBITDA	<u>2,172</u>	<u>1,117</u>	<u>3,289</u>	<u>3,245</u>	<u>2,232</u>	<u>5,477</u>

#### ***Adjusted EBITDA margin***

Adjusted EBITDA margin is calculated by dividing adjusted EBITDA by revenue.

Adjusted EBITDA and adjusted EBITDA margin (the “**Non-IFRS Measures**”) are supplemental measures of the performance and cash flows of Legacy and the Agency that are not required by, nor presented in accordance with, IFRS and should not be considered in isolation or as alternatives to profit for the period,

profit before tax, operating profit, cash generated from operations or any other performance measures derived in accordance with IFRS. The Non-IFRS Measures have been calculated by adding together figures that are extracted without material adjustment from the historical financial information in Part IV (Financial Information on Legacy) and Part V (Financial Information on The Agency) of this Document, with the exception of member remuneration equivalent to that subsequent to the Acquisitions, which is based on employment contracts for the Agency Members and Legacy Members subsequent to the Acquisitions.

The Group has presented the Non-IFRS Measures because they are intended to be used by the Group in managing and measuring its business performance. In addition, the Directors believe that adjusted EBITDA is commonly reported by comparable businesses and used by investors in comparing the performance of businesses on a consistent basis without regard to interest, taxes, depreciation and amortisation or other capital costs, which can vary significantly depending upon accounting methods or other non-operating factors. The Directors believe that the Non-IFRS Measures are also important supplemental measures because they reflect adjustments for other items that the Directors believe to be exceptional or non-recurring items. The Non-IFRS Measures disclosed in this document may not be comparable to similarly titled measures disclosed by other companies as the Non-IFRS Measures are not uniformly defined. Therefore, the Group's presentation of the Non-IFRS Measures may not be comparable to similarly titled measures of other companies.

### **23. Further information**

Potential investors should read the whole of this Document, which provides additional information on the Company, the Placing, the Acquisitions and Admission and should not rely on summaries of, or individual parts only of, this Document.

## **PART II**

### **BASEBALL REGULATION IN THE UNITED STATES**

#### **MLBPA**

Pursuant to section 9(a) of the National Labor Relations Act and the collective bargaining agreement in effect among the MLBPA and the MLB clubs, the MLBPA is the sole and exclusive collective bargaining representative for all Major League baseball players. To recruit, represent or advise a baseball player in negotiating the terms of a MLB Player Contract, an agent must be certified by the MLBPA as a “player agent”. Once certified, a player agent must comply with rules and standard of conduct prescribed by the MLBPA Regulations Governing Player Agents. An agent certified by the MLBPA must then be designated as a representative of a baseball player. A baseball player designates an agent as his representative by completing a Player Agent Designation form and submitting the form to the MLBPA. Unless the designation is terminated early, the designation remains in effect for one year from the date of the Player Designation Form. In addition, to being certified by the MLBPA and completing a Player Agent Designation form, the player agent must enter into a Player Agent Representation Agreement with the relevant player. The Player Agent Representation Agreement will clearly set out the services to be provided, the fees charged and the expenses, if any, to be reimbursed. Each Player Agent Representation Agreement must have a term not to exceed one year except that the provision requiring the player to pay fees earned and reimburse expenses relating to multi-season player contracts negotiated during the one year term of the Player Agent Representation Agreement shall be enforced. Pursuant to the MLBPA Regulations, no agent may charge a fee for his or her services unless the baseball player’s negotiated salary exceeds the applicable minimum salary for the year as mandated by the 2007-2011 Basic Agreement between the Major League Clubs and the MLBPA. In addition, an agent’s fees may not cause the player’s salary to be below the minimum salary after the agent’s compensation is subtracted from the player’s salary. As of 2011, the MLB minimum salary was \$414,000. Any dispute between a player and a player agent must be filed with the MLBPA and is subject to the arbitration procedures and regulations specified in the MLBPA Regulations Governing Player Agents.

The Directors have been advised that the Acquisitions do not require MLBPA consent.

#### **Federal and State Law in the United States**

The Sports Agent Responsibility and Trust Act of 2004 (“**SPARTA**”) is the federal statute regulating sports agents within the United States. In addition, most states have also adopted the Uniform Athlete Agents Act or similar legislation (collectively, the “**UAAA**”). Each of SPARTA and the UAAA applies only to agents recruiting or negotiating on behalf of athletes who are also students. Once an athlete ceases to be a student and becomes a professional athlete, SPARTA and the UAAA cease to apply.

## PART III

### RISK FACTORS

This Document contains forward looking statements, which have been made after due and careful enquiry and are based on the Board's current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. These forward looking statements are subject to, *inter alia*, the risk factors described in this Part III of the Document. The Directors believe that the expectations reflected in these statements are reasonable, but may be affected by a number of variables which could cause actual results or trends to differ materially. Each forward looking statement speaks only as of the date of the particular statement.

Factors that might cause a difference include, but are not limited to, those discussed in this Part III of this Document. Given these uncertainties, prospective investors are cautioned not to place any undue reliance on any forward looking statements. The Company disclaims any obligation to update any forward looking statements in this Document to reflect future events or developments.

There are significant risks associated with the Group. Prior to making an investment decision in respect of the Ordinary Shares, prospective investors and Shareholders (as appropriate) should consider carefully all of the information within this Document, including the following risk factors. The Board believes the following risks to be the most significant for potential investors. However, the risks listed do not necessarily comprise all those associated with an investment in the Company. In particular, the Company's performance may be affected by changes in market or economic conditions and in legal, regulatory and/or tax requirements. The risks listed are not set out in any particular order of priority. Additionally, there may be risks not mentioned in this Document of which the Board is not aware or believes to be immaterial but which may, in the future, adversely affect the Group's business and the market price of the Ordinary Shares.

If any of the following risks were to materialise, the Group's business, financial condition, results or future operations could be materially and adversely affected. In such cases, the market price of the Company's Ordinary Shares could decline and an investor may lose part or all of his investment. Additional risks and uncertainties not presently known to the Board, or which the Board currently deems immaterial, may also have an adverse effect upon the Group and the information set out below does not purport to be an exhaustive summary of the risks affecting the Group.

Before making a final investment decision, prospective investors should consider carefully whether an investment in the Company is suitable for them and, if they are in any doubt they should consult with an independent financial adviser authorised under FSMA which specialises in advising on the acquisition of shares and other securities.

#### **The Placing**

The issue of the Placing Shares will be conducted in three separate tranches over three Business Days to enable some investors to benefit from certain tax reliefs available to VCT and EIS investors. Further details of the VCT and EIS regimes are set out in paragraphs 20 and 21 of Part I of this Document.

It is intended that the Company will issue the VCT/EIS Placing Shares at 8.00 a.m. on 6 December 2011, being two Business Days prior to Admission. The issue of the VCT/EIS Placing Shares will not be conditional on Admission. The VCT Placing Shares are expected to be issued at 8.00 a.m. on 7 December 2011, being one Business Day prior to Admission, and this issue will also not be conditional upon Admission. The issue of the remaining Placing Shares will be conditional upon Admission.

Investors should be aware of the possibility that the VCT/EIS Placing Shares may be issued (or the VCT/EIS Placing Shares and the VCT Placing Shares are issued) and that none of the remaining Placing Shares are issued. Investors should also be aware that Admission may not take place. Consequently, even if the VCT/EIS Placing Shares (or the VCT/EIS Placing Shares and the VCT Placing Shares are issued), there is no guarantee that the placing of the remaining Placing Shares will become unconditional.

If all of the Placing Shares are not issued and Admission does not take place, the Company will not be able to complete the Acquisitions and implement the strategy and growth plans as outlined in this Document.

### **Debt Financing**

In the event of a material adverse change (or similar event) occurring in relation to the Legacy business and/or The Agency business prior to completion of the Acquisitions (which is expected to occur on the date of Admission), SunTrust Bank may no longer make the Debt Financing funds available to the Group. In such circumstances, the Group will not be able to complete the Acquisitions and implement the strategy and plans outlined in this Document. In such circumstances the Placing funds would be returned to investors after payment of all liabilities of the Company.

### **Risks relating to the Group's Business**

#### ***Operating history***

The Company is a newly formed company that has not commenced operations. Although the Acquisitions have an operating history, this may not be reflective of the Company's ability to implement its business strategy. The results of the Company's operations will depend on many factors including, but not limited to, its ability to manage the acquired assets, retain and continue to attract high calibre agents and players, leverage the Group's relationships to create cross-selling opportunities and continue to identify and implement in-fill acquisitions.

#### ***Risks inherent in the acquired businesses***

The Group's financial performance will be dependent upon the financial condition, trading and prospects of the acquired businesses and Management's ability to operate such businesses. Although the Group's senior executive management ("**Management**") has endeavoured to evaluate the risks inherent in each business that will be acquired via the Acquisitions, the Group may be affected by risks inherent to the operations of each acquired business.

#### ***Client concentration***

The acquired businesses generate a significant proportion of their revenue from a small number of athletes. This concentration of revenue on a small number of sources represents a risk to the Group, as the loss of key revenue sources could have a material impact on revenues and profitability.

#### ***Ability to continue to identify and attract talent***

The Group's business model relies on the ability of Management to continue to identify and recruit athletes and personalities with high earning potential. This is because as athletes and personalities reach the end of their careers, their earnings and earnings potential reduces which results in lower revenues for the Group companies. The ability of Management to achieve this relies on a continued presence in the market, industry experience and expertise and judgement in selecting the athletes and personalities who will become successful. There is a risk that insufficient players and personalities will be identified in the future to maintain and/or grow existing revenues and profitability.

#### ***Career progression and earnings potential of the Group's clients***

The Group's financial performance significantly depends on the salary its clients earn pursuant to their professional team contracts. The players that the Group's agents represent may not be able to sign contracts with professional teams after their current contracts expire or subsequent contracts may not be as lucrative as their current contracts. If a player's value to their team diminishes, such player may not be able to re-sign a contract that provides for as lucrative of a salary as his previous one, or such player may not be able to re-sign with a professional team at all. The decrease in revenues that could result from a lesser contract, could have an adverse effect on the Group.

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

The success of the Group is highly dependent on the relationships, networks and reputations of its Directors and key agents.

The Group's agents possess substantial experience in representing professional athletes and the Group's financial performance will depend on the continued success of these agents. The loss of any key agents could significantly impact the ability of the Group to retain clients. Any such loss could have a material impact on the Group's revenues and profitability.

In addition, the Group's success depends on the efforts, abilities and expertise of Management who have been instrumental in setting the Group's strategic direction and will be responsible for implementing such strategy. The loss of key members of Management could impair the Group's business and prospects until qualified replacements are found. The Group cannot assure potential investors that it will be able to replace these individuals with persons of substantially similar experience and capabilities.

Although the Group enters into employment arrangements with its key personnel to secure their services, the Group cannot guarantee the retention of such key personnel. Should key personnel leave, the Group's business, prospects, financial condition or results of operations may be materially adversely affected.

#### ***Timely collection of receivables***

The Group collects commissions from the individual players it represents.

There is a potential risk of bad debt if the collection of receivables is not performed on a timely basis. Players are paid between April and October by their respective clubs. If cash collection is not performed in this period then the agent will often have to wait until the next season to obtain payment. As these fees age there is then an increased risk of dispute with the Player. The risk is increased in circumstances where the Player/Athlete is no longer represented by the Target Entities and/or where the Player/Athlete is no longer earning significant income.

#### ***Risks associated with baseball***

The MLBPA require the general certification of individuals as the representative of players to Major League teams. In addition, the MLBPA requires the limited certification of individuals to recruit or provide client maintenance services to players, if such individuals do not engage in conduct that requires a general certification. If any of the Group's agents are unable to maintain these requires certifications with the MLBPA, such agents will not be able to represent and/or recruit and provide client maintenance services to MLB players, and, accordingly, the Group's financial performance could be adversely affected.

A labour interruption could come in the form of a strike initiated by the players or a lockout initiated by the owners. In addition, MLB's current collective bargaining agreement expires on 11 December 2011 and a labour interruption may occur if a new collective bargaining agreement is not agreed by the players and the owners prior to the beginning of the 2012 season in April 2012. In the event of any such labour interruption, players' contracts with their respective professional team would likely be suspended for the duration of the work stoppage, and players either may be unable to pay, or not contractually obligated to pay, the Group's agents, which would impact on the Group's business.

#### ***Introduction of a salary cap***

Unlike the NFL and NBA, MLB does not have a salary cap for players or a fee cap for agents. The introduction of change in the regulation of player or agent fees could have a material impact on the Group's profitability and prospects.

#### ***Changes in the rate of commission charged***

Historically Legacy has generated substantially all of its commission revenue based on a flat rate commission of 5 per cent. of player earnings, which is considered to be industry standard. A change in the industry standard could have a significant effect on the Group's revenue and profitability.

#### ***Ability to cross-sell and up sell products across the Group companies***

The Company's strategy includes identifying and exploiting cross-selling opportunities of the Group's services to its athlete clients and creating new events. This relies in part on Management's ability to integrate

the companies in the Group. There is a risk that Management will not be able to successfully implement its strategy which would have an impact on the Group's growth prospects.

#### ***Currency exchange rates***

The Group's revenues will be derived outside the UK and the Group's operations and profitability, and the Company's ability to declare dividends to Shareholders, may be adversely affected by movements in foreign currency exchange rates, particularly by movements in the US dollar relative to the British pound sterling.

#### **Risks relating to the Group**

##### ***Legislation and tax***

Changes in the US and UK's tax regimes, or any other tax regime of a country in which the Group operates, could adversely affect the Group's operations and financial condition and the ability of the Company to extract profits from companies within the Group in order to declare dividends. There can be no assurance that the levels of taxation to which the Group is subject in the US or UK will not be increased or that new taxes or levies will not be introduced to which the Group will be subject. Any increase in the levels of taxation to which the Group is subject in the US or the UK, or the implementation of any new taxes or levies to which the Group may be subject, could have a material adverse effect on the Group's business, financial condition and results of its operations.

This Document has been prepared on the basis of current UK and US legislation, rules and practice and the Company's advisers' interpretation thereof. Such interpretation may not be correct and it is always possible that legislation, rules and practice may change. Any changes in taxation legislation and rules and in particular, any changes to bases of taxation, tax relief and rates of tax, may affect the availability of reliefs. Changes in UK and/or US legislation affecting the Group's business may be introduced at any time and may impact on the business operations and financial condition of the Group.

The attention of potential investors is drawn to paragraph 15 of Part VII of this Document headed 'Taxation'.

##### ***Currency and foreign exchange risk***

The Placing Shares will be settled in pounds sterling. All amounts received from the Placing will be in pounds sterling and, net of fees and expenses, are intended to be converted into US dollars by Cenkos before transmission to the Company. The Company's functional currency is US dollars. As a result, the total net proceeds of the Placing (after conversion) received by the Company may differ from the amount anticipated in this Document. The Group's assets will be denominated in US dollars and the financial information in respect of Legacy and The Agency is presented in US dollars. The majority of the Group's expenses will be denominated in dollars, but others will be in sterling and possibly other currencies. Any returns of capital and, if paid, dividends will be denominated in sterling. The Company does not currently engage in any currency hedging. The Company may in the future hedge some of its exposure to non-US dollar currencies through forward foreign exchange contracts or through other financial products, though it currently has no plans to do so. While hedging may reduce currency risk, it is not possible to hedge fully or perfectly against currency fluctuations and the Company may also elect to forego hedging to save the attendant expense.

##### ***VCT and EIS investments***

The Placing Shares placed with VCTs are expected to constitute a qualifying holding for VCTs in respect of qualifying funds raised by the VCT as described in paragraph 20 of Part I of this Document. Although it is intended that the Company will be managed so as to continue to constitute a qualifying company for VCT purposes, there is no guarantee that such status will be maintained.

Investors seeking to take advantage of any reliefs available under the VCT and EIS regimes should seek individual advice in order that they fully understand how the rules apply in their individual circumstances.

### ***Exposure to economic cycle***

The Group could be affected by unforeseen events outside its control including economic and political events and trends, inflation and deflation, terrorist attacks or currency exchange fluctuation. The combined effect of these factors is difficult to predict and an investment in the Company could be affected adversely by changes in economic, political, administrative, taxation or other regulatory factors in any jurisdiction in which the Group may operate.

A calamity such as a war or a national economic depression could cause MLB or any other professional organization to suspend its operations. The consequences of such an event are unpredictable but if MLB or another applicable professional organization suspended its operations, it is likely that all player contracts would be suspended and the Group would lose a substantial source of revenue, which could adversely affect its business.

### **General risks relating to an investment in the Ordinary Shares**

#### ***No prior market for the Ordinary Shares on AIM***

Prior to Admission, there has been no public market for the Ordinary Shares on AIM or any other market. As a consequence, there can be no assurance that an active trading market will develop after Admission or, if developed, that an active trading market will be sustained. The Company cannot predict the extent to which investor interest in the Ordinary Shares will lead to the development of a trading market or how liquid such a market might become. Investors may experience greater price volatility and less efficient execution of buy and sell orders than expected.

The Company cannot guarantee that it will always retain a quotation on AIM. If the Company fails to do so, certain investors may decide to sell their Ordinary Shares, which could have an adverse impact on the share price. Additionally, if in the future the Company decides to obtain a listing on another exchange in addition to AIM or as an alternative, this may affect the liquidity of the Ordinary Shares traded on AIM.

#### ***Trading and performance of Ordinary Shares***

The AIM Rules are less onerous than those of the UK's Official List and an investment in shares that are traded on AIM is likely to carry a higher risk than an investment in shares listed on the Official List. It may be more difficult for investors to realise their investment on AIM than to realise an investment in a company whose shares are quoted on the Official List. The share price of publicly traded early stage companies can be highly volatile. The price at which the Ordinary Shares will be traded and the price at which investors may realise these investments will be influenced by a large number of factors, some not specific to the Company and its operations. Furthermore, there is no guarantee that the market price of an Ordinary Share will accurately reflect its underlying value.

The trading price of the Ordinary Shares may be subject to wide fluctuations in response to a number of events and factors, such as variations in operating results, changes in financial estimates and recommendations by securities analysts, the share price performance of other companies that investors may deem comparable to the Company, news reports relating to trends in the Group's markets, large purchases or sales of Ordinary Shares, liquidity (or absence of liquidity) in the Ordinary Shares, currency fluctuations, legislative or regulatory changes and general economic conditions. These fluctuations may adversely affect the trading price of the Ordinary Shares, regardless of the Group's performance.

#### ***Issue of additional Ordinary Shares***

Although the Group's current business plan does not involve the issue of further Ordinary Shares other than in the Placing, it is possible that the Company may decide to issue, pursuant to a public offer or otherwise, additional Ordinary Shares in the future at a price or prices higher or lower than the Placing Price. An additional issue of Ordinary Shares by the Company, or the public perception that an issue may occur, could have an adverse effect on the market price of Ordinary Shares and could dilute the proportionate ownership interest, and hence the proportionate voting interest, of Shareholders.

***Future sales of Ordinary Shares could adversely affect the price of the Ordinary Shares***

There can be no assurance that the Locked-in Persons will not effect transactions upon the expiry of the lock-in or any earlier waiver of the provisions of the lock-in. The sale of a significant amount of Ordinary Shares in the public market, or the perception that such sales may occur, could materially adversely affect the market price of the Ordinary Shares.

Shareholders not subject to the Lock-in Agreements and, following the end of any lock-in period (or earlier in the event of a waiver of the provisions of the lock-in), Shareholders who are otherwise subject to the Lock-in agreements, may sell their Ordinary Shares in the public or private market and the Company may undertake a public or private offering of Ordinary Shares. The Company cannot predict what effect, if any, future sales of Ordinary Shares may have on the market price of the Ordinary Shares. If the Company's existing Shareholders were to sell, or the Company was to issue a substantial number of Ordinary Shares in the public market, the market price of the Ordinary Shares could be materially adversely affected. Sales by the Company's existing Shareholders could also make it more difficult for the Company to sell equity securities in the future at a time and price that it deems appropriate.

## PART IV

### FINANCIAL INFORMATION ON LEGACY

#### SECTION A– ACCOUNTANT’S REPORT ON LEGACY

# Deloitte.

Deloitte LLP  
Abbots House  
Abbey Street  
Reading  
RG1 3BD

The Board of Directors  
on behalf of TLA Worldwide plc  
6-8 Bouverie Street  
London  
EC4Y 8DD

Cenkos Securities plc  
6.7.8 Tokenhouse Yard  
London  
EC2R 7AS

2 December 2011

Dear Sirs

#### **LS Legacy LLC**

We report on the financial information of LS Legacy LLC (“Legacy”) for the three years ended 31 December 2010 set out in Section B of Part IV of the AIM admission document dated 2 December 2011 of TLA Worldwide plc (the “Company”) (the “Admission Document”). This financial information has been prepared for inclusion in the Admission Document on the basis of the accounting policies set out in note 3 to the financial information. This report is required by Annex I item 20.1 of Commission Regulation (EC) No 809/2004 (the “Prospectus Directive Regulation”) as applied by Paragraph (a) of Schedule Two to the AIM Rules for Companies and is given for the purpose of complying with that requirement and for no other purpose.

We have not audited or reviewed the financial information for the period ended 30 June 2011, and the period ended 30 June 2010 which has been included for comparative purposes only, and accordingly do not express an opinion thereon.

#### **Responsibilities**

The Directors of the Company are responsible for preparing the financial information in accordance with International Financial Reporting Standards as adopted by the European Union.

It is our responsibility to form an opinion on the financial information and to report our opinion to you.

Save for any responsibility arising under paragraph (a) of Schedule Two to the AIM Rules for Companies to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in accordance with this report or our statement, required by and given

solely for the purposes of complying with Annex I item 23.1 of the Prospectus Directive Regulation as applied by Paragraph (a) of Schedule Two to the AIM Rules for Companies, consenting to its inclusion in the Admission Document.

### **Basis of opinion**

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside the United Kingdom, including the United States of America, and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

### **Opinion on financial information**

In our opinion, the financial information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of Legacy as at 31 December 2010, 31 December 2009 and 31 December 2008 and of its profits, cash flows and changes in equity for the years then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

### **Declaration**

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules for Companies, we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two to the AIM Rules for Companies.

Yours faithfully

Deloitte LLP  
Chartered Accountants

*Deloitte LLP is a limited liability partnership registered in England and Wales with registered number OC303675 and its registered office at 2 New Street Square, London EC4A 3BZ, United Kingdom. Deloitte LLP is the United Kingdom member firm of Deloitte Touche Tohmatsu Limited ("DTTL"), a UK private company limited by guarantee, whose member firms are legally separate and independent entities. Please see [www.deloitte.co.uk/about](http://www.deloitte.co.uk/about) for a detailed description of the legal structure of DTTL and its member firms.*

**Member of Deloitte Touche Tohmatsu Limited**

## SECTION B – FINANCIAL INFORMATION ON LEGACY

### LS Legacy Sports Group LLC

#### Income statement

For periods from 1 January 2008 to 30 June 2011

		<i>Unaudited</i>	<i>Unaudited</i>	<i>Audited</i>	<i>Audited</i>	<i>Audited</i>
		<i>Six months</i>	<i>Six months</i>	<i>Year</i>	<i>Year</i>	<i>Year</i>
		<i>ended 30</i>	<i>ended 30</i>	<i>ended 31</i>	<i>ended 31</i>	<i>ended 31</i>
		<i>June 2011</i>	<i>June 2010</i>	<i>December</i>	<i>December</i>	<i>December</i>
	<i>Note</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
<b>Continuing operations</b>						
Revenue	5	4,426	3,799	7,012	5,955	5,916
Cost of sales		(1,635)	(1,421)	(3,279)	(2,608)	(2,580)
<b>Gross profit</b>		<u>2,791</u>	<u>2,378</u>	<u>3,733</u>	<u>3,347</u>	<u>3,336</u>
Administrative expenses		(1,206)	(1,118)	(2,488)	(2,557)	(3,125)
<b>Operating profit</b>		<u>1,585</u>	<u>1,259</u>	<u>1,245</u>	<u>790</u>	<u>211</u>
Finance costs	8	(106)	(282)	(460)	(540)	(674)
<b>Profit/(loss) before tax</b>		<u>1,479</u>	<u>978</u>	<u>785</u>	<u>250</u>	<u>(463)</u>
Taxation	9	(11)	(8)	(10)	(7)	(1)
<b>Profit/(loss) and total comprehensive income attributable to the equity holders in Legacy</b>	6	<u>1,468</u>	<u>970</u>	<u>775</u>	<u>243</u>	<u>(464)</u>

## LS Legacy Sports Group LLC

### Statement of financial position

At 31 December 2008, 2009 and 2010, and 30 June 2011

	<i>Notes</i>	<i>Unaudited 30 June 2011 \$'000</i>	<i>Audited 31 December 2010 \$'000</i>	<i>Audited 31 December 2009 \$'000</i>	<i>Audited 31 December 2008 \$'000</i>
<b>Assets</b>					
<b>Non-current assets</b>					
Intangible assets	10	–	–	75	373
Property, plant and equipment	11	26	27	16	51
Investments	12	–	–	–	–
		<u>26</u>	<u>27</u>	<u>91</u>	<u>424</u>
<b>Current assets</b>					
Trade and other receivables	13	2,920	1,867	2,969	2,607
Cash and bank balances		1,219	2,276	889	1,218
		<u>4,139</u>	<u>4,143</u>	<u>3,858</u>	<u>3,825</u>
<b>Total assets</b>		<u>4,165</u>	<u>4,170</u>	<u>3,949</u>	<u>4,249</u>
<b>Current liabilities</b>					
Trade and other payables	14	(610)	(691)	(989)	(1,487)
Borrowings	15	(490)	(307)	(157)	(2,000)
		<u>(1,100)</u>	<u>(998)</u>	<u>1,146</u>	<u>3,487</u>
<b>Net current assets</b>		<u>3,039</u>	<u>3,145</u>	<u>2,712</u>	<u>338</u>
<b>Non-current liabilities</b>					
Borrowings	15	(3,036)	(3,488)	(3,732)	(1,934)
		<u>(3,036)</u>	<u>(3,488)</u>	<u>(3,732)</u>	<u>(1,934)</u>
<b>Total liabilities</b>		<u>(4,136)</u>	<u>4,486</u>	<u>4,878</u>	<u>5,421</u>
<b>Net assets</b>		<u>29</u>	<u>(316)</u>	<u>(929)</u>	<u>(1,172)</u>
<b>Equity</b>					
Members' capital	16	29	(316)	(929)	(1,172)
<b>Total equity</b>		<u>29</u>	<u>(316)</u>	<u>(929)</u>	<u>(1,172)</u>

**LS Legacy Sports Group LLC****Statement of changes in equity**

For the period from 1 January 2008 to 30 June 2011

	<i>Members' Capital \$'000</i>	<i>Total Equity \$'000</i>
<b>Balance at 1 January 2008</b>	(708)	(708)
Loss and total comprehensive income for the year	(464)	(464)
<b>Balance at 1 January 2009</b>	(1,172)	(1,172)
Profit and total comprehensive income for the year	243	243
<b>Balance at 1 January 2010</b>	(929)	(929)
Profit and total comprehensive income for the year	775	775
Distributions paid to Members	(162)	(162)
<b>Balance at 1 January 2011</b>	(316)	(316)
Profit and total comprehensive income for the period	1,468	1,468
Distributions to Members	(1,123)	(1,123)
<b>Balance at 30 June 2011</b>	29	29

## LS Legacy Sports Group LLC

### Statement of cash flows

For the period from 1 January 2008 to 30 June 2011

		<i>Unaudited</i>	<i>Unaudited</i>	<i>Audited</i>	<i>Audited</i>	<i>Audited</i>
		<i>Six months</i>	<i>Six months</i>	<i>Year</i>	<i>Year</i>	<i>Year</i>
		<i>ended 30</i>	<i>ended 30</i>	<i>ended 31</i>	<i>ended 31</i>	<i>ended 31</i>
		<i>June 2011</i>	<i>June 2010</i>	<i>December</i>	<i>December</i>	<i>December</i>
	<i>Notes</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
<b>Cash flows from operating activities</b>	20	335	(88)	1,663	(287)	(36)
<b>Cash flows from investing activities</b>						
Purchases of property, plant and equipment		–	–	(18)	–	(12)
<b>Net cash used in investing activities</b>		–	–	(18)	–	(12)
<b>Cash flows from financing activities</b>						
Distribution paid to Members		(1,123)	–	(164)	–	–
Repayments of borrowings		(269)	(48)	(3,944)	(4,042)	(462)
New bank loans raised		–	–	3,850	4,000	–
<b>Net cash used in financing activities</b>		(1,392)	(48)	(258)	(42)	(462)
<b>Net increase/(decrease) in cash and cash equivalents</b>		(1,057)	(136)	1,387	(329)	(510)
<b>Cash and cash equivalents at beginning of year/period</b>		2,276	889	889	1,218	1,728
<b>Cash and cash equivalents at end of year/period</b>		1,219	753	2,276	889	1,218

## LS Legacy Sports Group LLC

### Notes to the historical financial information

For the period from 1 January 2008 to 30 June 2011

#### 1. General information

Legacy is primarily engaged in sports agency business in Newport Beach, San Francisco, Houston and Phoenix.

Legacy's historical financial information is presented in US dollars.

#### 2. Adoption of new and revised International Financial Reporting Standards as adopted by the EU (IFRS)

This historical financial information is Legacy's first financial information prepared under IFRS, with an adoption date of 1 January 2008. All figures shown in this historical financial information are stated in accordance with the accounting policies set out below. The opening balance sheet at 1 January 2008 is prepared under IFRS. Therefore no IFRS 1 exemptions from retrospective application of IFRS have been taken.

At the date of authorisation of this historical financial information, the following Standards and Interpretations which have not been applied in this historical financial information were in issue but not yet effective:

IFRS 3 (revised 2008)	Business Combinations
IFRS 9	Financial Instruments
IAS 24 (revised 2010)	Related Party Disclosures
IAS 27 (revised 2008)	Consolidated and Separate Financial Statements
IAS 32 (amendment)	Classification of Rights Issues
IAS 39 (amendment)	Eligible Hedge Items
IFRIC 14 (amendment)	Prepayments of a Minimum Funding Requirement
IFRIC 17	Distributions of Non-cash Assets to Owners
IFRIC 18	Transfers of Assets from Customers
IFRIC 19	Extinguishing Liabilities with Equity Instruments Improvements to IFRSs (April 2010).

The Directors and Members do not anticipate that the adoption of these standards and interpretations in future periods will have a material impact on the financial information.

#### 3. Significant accounting policies

##### *Basis of preparation*

The historical financial information has been prepared in accordance with IFRS as issued by the International Accounting Standards Board (IASB) and therefore complies with Article 4 of the EU IAS Regulation. The historical financial information has been prepared on the historical cost basis except for certain financial instruments that are carried at fair value in accordance with the accounting policies set out below. Accounting policies have been applied consistently throughout the period covered by the historical financial information.

This historical financial information represents individual financial information of LS Legacy Sports Group LLC and not the consolidated group. The Directors and Members have considered the need for preparation of consolidated financial information. On the basis that its subsidiary has been dormant in all periods presented, no consolidated financial information has been prepared.

## **LS Legacy Sports Group LLC**

### **Notes to the historical financial information**

For the period from 1 January 2008 to 30 June 2011

#### ***Revenue***

Revenue is measured as the fair value of the consideration received or receivable and comprises amounts billed to clients in respect of fees earned and commission-based income and is stated exclusive of any relevant sales taxes. Revenue is recognised on an accruals basis in line with the provision of relevant services under the terms of the contract, provided that it is probable that the economic benefits will flow to Legacy and the amount of revenue can be measured reliably.

All revenue is earned from talent representation, and can be split into three revenue streams:

#### ***Representation revenue***

Representation revenue is generated from a commission paid as a percentage of a player's base salary. Base salaries are fees payable by baseball clubs to their players. These fees are contractual obligations made by the club to pay the player for a specific number of seasons.

Commission revenue is recognised when the player receives income from the relevant baseball club, at which point the player becomes contractually obliged to pay commission to Legacy.

#### ***Signing bonuses***

Signing bonuses are amounts payable by the clubs to the player for signing a contract. Legacy earns a commission based on a percentage of the signing bonus. Commission revenue is recognised when the player receives the signing bonus from the relevant baseball club, at which point the player becomes contractually obliged to pay commission to Legacy.

#### ***Endorsement revenue***

Endorsement revenue is generated from commission calculated as a percentage of fees earned by players for guest appearances, wearing of certain attire or other sponsorship deals. Revenue is recognised based on the terms of the individual contracts, in the period that the associated fees are earned by the player.

#### ***Cost of sales***

Cost of sales includes commission-based staff costs, including salaries, bonuses and social security costs, and expenses reimbursed to commission-based agents.

#### ***Income taxes***

Legacy is a US LLC and is treated as a flow-through entity for both US federal and state income tax purposes. As such, its Members are taxed on their distributable share of the profits of the business, and Legacy itself is not subject to US federal or state income tax. Therefore, no provision or liability for federal or state income taxes related to Legacy is included in this historical financial information. Legacy reports income earned from the partnership on the cash basis accounting method for tax purposes and on the accrual basis accounting method for historical financial information purposes.

#### ***Other taxes***

Other state and city taxes are charged to the income statement in the period to which they relate.

#### ***Leasehold improvements, furniture and equipment***

The leasehold improvements, furniture and equipment are stated at cost. Depreciation is computed on the straight-line method using an estimated useful life ranging from five to fifteen years. Repairs and maintenance are charged to expense in the year incurred, major improvements and new assets are capitalised and depreciated using an estimated useful life ranging from five to fifteen years.

## **LS Legacy Sports Group LLC**

### **Notes to the historical financial information**

For the period from 1 January 2008 to 30 June 2011

#### ***Intangible assets – player representation contracts***

Purchased player representation contracts are capitalised at their fair value and amortised over the life of the representation contracts acquired.

#### ***Finance costs***

Finance costs of financial liabilities are recognised in the income statement over the term of such instruments at a constant rate of the carrying amount.

#### ***Leases***

Leases where substantially all of the risks and rewards of ownership are not transferred to Legacy are treated as operating leases. Rentals under operating leases are charged to the income statement on a straight line basis over the period of the lease.

#### ***Financial instruments***

Financial assets and financial liabilities are recognized on Legacy's balance sheet when Legacy becomes a party to the contractual provisions of the instrument.

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

Cash comprises cash, overdrafts and cash held on short-term deposit (up to three months). The deposits guarantee the loan note creditors. Interest accruing on the deposits are payable to the holders of the loan notes less any costs arising.

#### ***Trade Receivables***

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

#### ***Investments***

Investments are recognised and derecognised on a trade date where a purchase or sale of an investment is under contract whose terms require the delivery of the investment within the timeframe established by the market concerned, and are initially measured at cost, including transaction costs. Investments are classified either as available for sale, and are measured at subsequent reporting dates at fair value, or at amortised cost, where no fair value is readily determinable.

Gains and losses on available for sale financial assets arising from changes in fair value are recognised directly in equity, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in the net profit or loss for the period.

#### ***Bank Borrowings***

Interest bearing bank loans and overdrafts are recorded at the fair value of proceeds received, net of direct issue costs.

#### ***Trade Payables***

Trade payables are not interest-bearing and are stated at their nominal value.

#### ***Distributions***

Any payments made to Members arising from a division of profits that is discretionary on the part of Legacy is treated as an allocation of profit and not charged to the income statement.

## **LS Legacy Sports Group LLC**

### **Notes to the historical financial information**

For the period from 1 January 2008 to 30 June 2011

#### **4. Critical accounting judgements and key sources of estimation uncertainty**

The preparation of financial information in conformity with IFRS requires Legacy to make certain judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. These estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates under different assumptions or conditions.

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.

The Directors and Members consider that the most significant area of accounting estimate relates to:

- trade receivables, where clients have not settled in accordance with standard terms and conditions and the Members have evaluated each balance receivable and made provisions for doubtful debts where appropriate in accordance with experience of the normal basis on which such balances are settled.

#### **5. Revenue**

Revenue is generated from Legacy's single operating segment, athlete representation, and arises solely in the United States of America.

IFRS 8 paragraph 34 requires disclosure of revenues by customer for each customer that generates in excess of 10 per cent. of Legacy's total revenues in a period. In the six months ended 30 June 2011, 2 clients generated in excess of 10 per cent. of total revenue (2010: 2 clients). In the year ended 31 December 2010, 2 clients generated in excess of 10 per cent. of total revenue (2009: 2 clients; 2008: 1 client).

The Members consider that disclosure of revenues earned from each of the clients from whom in excess of 10 per cent. of total revenue is generated, together with the public nature of Legacy's key clients, could enable identification of the clients, together with the earnings of those clients and the revenues generated from them, and that such information would be seriously prejudicial to the business of Legacy and could be in contravention of Legacy's contractual arrangements with their clients. As such, this disclosure has not been provided, in contravention of paragraph 34 of IFRS 8.

## LS Legacy Sports Group LLC

### Notes to the historical financial information

For the period from 1 January 2008 to 30 June 2011

#### 6. Profit/(loss) for the year/period

Profit/(loss) for the year/period has been arrived at after charging:

	<i>Unaudited Six months ended 30 June 2011 \$'000</i>	<i>Unaudited Six months ended 30 June 2010 \$'000</i>	<i>Audited Year ended 31 December 2010 \$'000</i>	<i>Audited Year ended 31 December 2009 \$'000</i>	<i>Audited Year ended 31 December 2008 \$'000</i>
Depreciation of property, plant and equipment	1	1	7	33	33
Gain/(loss) on disposal of property, plant and equipment	–	–	2	–	–
Staff costs (see note 7)	2,008	1,832	4,062	3,491	3,415
Amortisation of intangible assets	–	74	75	298	236
Impairment of receivables	–	–	5	19	516
Operating lease rentals – land and buildings	207	177	363	348	320
	<u>207</u>	<u>177</u>	<u>363</u>	<u>348</u>	<u>320</u>

The financial information of Legacy has not previously been subject to audit. Therefore, no audit fees were incurred in any of the periods shown above.

#### 7. Staff costs

The average monthly number of employees (including Members) was:

	<i>Unaudited Six months ended 30 June 2011 Number</i>	<i>Unaudited Six months ended 30 June 2010 Number</i>	<i>Audited Year ended 31 December 2010 Number</i>	<i>Audited Year ended 31 December 2009 Number</i>	<i>Audited Year ended 31 December 2008 Number</i>
Administration/Support	8	7	7	10	10
Agents:					
Members	3	3	3	3	3
Employees	7	5	5	4	4
Other Members	1	2	2	2	2
	<u>19</u>	<u>17</u>	<u>17</u>	<u>19</u>	<u>19</u>

Their aggregate remuneration comprised:

	<i>Six months ended 30 June 2011 \$'000</i>	<i>Six months ended 30 June 2010 \$'000</i>	<i>Year ended 31 December 2010 \$'000</i>	<i>Year ended 31 December 2009 \$'000</i>	<i>Year ended 31 December 2008 \$'000</i>
Wages and salaries	1,974	1,807	4,008	3,434	3,359
Social security costs	34	25	54	57	56
	<u>2,008</u>	<u>1,832</u>	<u>4,062</u>	<u>3,491</u>	<u>3,415</u>

## LS Legacy Sports Group LLC

### Notes to the historical financial information

For the period from 1 January 2008 to 30 June 2011

#### 8. Finance costs

	<i>Unaudited Six months ended 30 June 2011 \$'000</i>	<i>Unaudited Six months ended 30 June 2010 \$'000</i>	<i>Audited Year ended 31 December 2010 \$'000</i>	<i>Audited Year ended 31 December 2009 \$'000</i>	<i>Audited Year ended 31 December 2008 \$'000</i>
Interest on bank overdrafts and other loans	99	184	296	425	618
Amortization of bank loan arrangement fees	7	98	143	107	51
Bank charges	–	–	21	8	5
Total interest expense	<u>106</u>	<u>282</u>	<u>460</u>	<u>540</u>	<u>674</u>

#### 9. Taxation

	<i>Unaudited Six months ended 30 June 2011 \$'000</i>	<i>Unaudited Six months ended 30 June 2010 \$'000</i>	<i>Audited Year ended 31 December 2010 \$'000</i>	<i>Audited Year ended 31 December 2009 \$'000</i>	<i>Audited Year ended 31 December 2008 \$'000</i>
State taxes	11	8	10	7	1
Total taxes charged	<u>11</u>	<u>8</u>	<u>10</u>	<u>7</u>	<u>1</u>

Legacy is a US LLC and is treated as a flow-through entity for both US federal and state income tax purposes. As such, its Members are taxed on their distributable share of the profits of the business, and Legacy itself is not subject to US federal or state income tax.

#### 10. Intangible assets

	<i>Intangible asset – contracts acquired \$'000</i>
<b>Cost or valuation</b>	
At 1 January 2008, 31 December 2008, 31 December 2009, 31 December 2010, and 30 June 2011	<u>749</u>
<b>Accumulated amortisation</b>	
At 1 January 2008	140
Charge for the year	<u>236</u>
At 31 December 2008	376
Charge for the year	<u>298</u>
At 31 December 2009	674
Charge for the year	<u>75</u>
At 31 December 2010 and 30 June 2011	<u>749</u>
<b>Carrying amount</b>	
At 31 December 2010 and 30 June 2011	<u>–</u>
At 31 December 2009	<u>75</u>
At 31 December 2008	<u>373</u>

## LS Legacy Sports Group LLC

### Notes to the historical financial information

For the period from 1 January 2008 to 30 June 2011

The intangible assets relate to the purchase of significant Player representation contracts in December 2004 for \$749,000. These were purchased from a competitor and the value paid for them was capitalised and amortised over the life of the representation agreements.

#### 11. Property, plant and equipment

	<i>Leasehold improvements</i> \$'000	<i>Property, plant and equipment</i> \$'000	<i>Total</i> \$'000
<b>Cost or valuation</b>			
At 1 January 2008 ( <i>unaudited</i> )	92	108	200
Additions	–	12	12
At 31 December 2008 ( <i>audited</i> )	92	120	212
Disposals	–	(3)	(3)
At 31 December 2009 ( <i>audited</i> )	92	117	209
Additions	–	19	19
At 31 December 2010 and 30 June 2011 ( <i>unaudited</i> )	92	136	228
<b>Accumulated depreciation</b>			
At 1 January 2008 ( <i>unaudited</i> )	51	77	128
Charge for the year	18	15	33
At 31 December 2008 ( <i>audited</i> )	69	92	161
Charge for the year	18	15	33
At 31 December 2009 ( <i>audited</i> )	87	107	194
Charge for the year	2	5	7
At 31 December 2010 ( <i>audited</i> )	89	112	201
Charge for the period	–	1	1
At 30 June 2011 ( <i>unaudited</i> )	89	113	202
<b>Carrying amount</b>			
At 30 June 2011 ( <i>unaudited</i> )	2	24	26
At 31 December 2010 ( <i>audited</i> )	2	25	27
At 31 December 2009 ( <i>audited</i> )	4	12	16
At 31 December 2008 ( <i>audited</i> )	23	28	51

#### 12. Investments

Investments of \$1,000 at 31 December 2008, 2009 and 2010, and 30 June 2010 are fully impaired. The investments comprise the whole of the Ordinary Stock of International Athlete Management, a company through which a former employee conducted his agency business incorporated in the United States.

The historical financial information represents individual financial information of Legacy and not the consolidated group. The Directors and Members have considered the need for preparation of consolidated financial information. On the basis that International Athlete Management has been dormant in all periods, no consolidated financial information has been prepared.

International Athlete Management was dissolved in March 2011 and the related investment written off in the 6 months to 30 June 2011.

## LS Legacy Sports Group LLC

### Notes to the historical financial information

For the period from 1 January 2008 to 30 June 2011

#### 13. Trade and other receivables

	<i>Unaudited</i> <i>30 June</i> <i>2011</i> <i>\$'000</i>	<i>Audited</i> <i>31 December</i> <i>2010</i> <i>\$'000</i>	<i>Audited</i> <i>31 December</i> <i>2009</i> <i>\$'000</i>	<i>Audited</i> <i>31 December</i> <i>2008</i> <i>\$'000</i>
Trade receivables	2,825	2,863	3,900	3,305
Allowance for doubtful debts	(1,239)	(1,239)	(1,234)	(1,216)
	<u>1,586</u>	<u>1,624</u>	<u>2,666</u>	<u>2,089</u>
Accrued income	1,031	–	–	–
Other debtors and prepayments	303	243	303	518
	<u>2,920</u>	<u>1,867</u>	<u>2,969</u>	<u>2,607</u>

#### *Trade receivables*

Amounts receivable from trade customers are due in line with amounts received by clients. Interest is charged on certain balances on a case by case basis.

#### *Ageing of past due but not impaired receivables*

	<i>Unaudited</i> <i>30 June</i> <i>2011</i> <i>\$'000</i>	<i>Audited</i> <i>31 December</i> <i>2010</i> <i>\$'000</i>	<i>Audited</i> <i>31 December</i> <i>2009</i> <i>\$'000</i>	<i>Audited</i> <i>31 December</i> <i>2008</i> <i>\$'000</i>
90–120 days	340	1,483	1,518	1,540
> 120 days	1,246	141	1,148	549
Total	<u>1,586</u>	<u>1,624</u>	<u>2,666</u>	<u>2,089</u>

#### *Movement in the allowance for doubtful debts*

	<i>Unaudited</i> <i>30 June</i> <i>2011</i> <i>\$'000</i>	<i>Audited</i> <i>31 December</i> <i>2010</i> <i>\$'000</i>	<i>Audited</i> <i>31 December</i> <i>2009</i> <i>\$'000</i>	<i>Audited</i> <i>31 December</i> <i>2008</i> <i>\$'000</i>
Balance at the beginning of the period	1,239	1,234	1,216	700
Impairment losses recognised	–	5	18	516
Balance at the end of the period	<u>1,239</u>	<u>1,239</u>	<u>1,234</u>	<u>1,216</u>

The Directors and Members have considered the material receivables that are past due dates with senior management directly responsible for those relationships. On the basis of these discussions and the credit control procedures in place the Directors and Members consider that these receivables are recoverable. The carrying amount of trade receivables is considered a reasonable approximation of their fair value.

## LS Legacy Sports Group LLC

### Notes to the historical financial information

For the period from 1 January 2008 to 30 June 2011

#### 14. Trade and other payables

	<i>Unaudited</i> <i>30 June</i> <i>2011</i> <i>\$'000</i>	<i>Audited</i> <i>31 December</i> <i>2010</i> <i>\$'000</i>	<i>Audited</i> <i>31 December</i> <i>2009</i> <i>\$'000</i>	<i>Audited</i> <i>31 December</i> <i>2008</i> <i>\$'000</i>
Trade payables and accruals	602	683	981	1,130
Other payables	8	8	8	357
	<u>610</u>	<u>691</u>	<u>989</u>	<u>1,487</u>

The Directors and Members consider that the carrying amount of trade and other payables approximates to their fair value.

#### 15. Borrowings

	<i>Unaudited</i> <i>30 June</i> <i>2011</i> <i>\$'000</i>	<i>Audited</i> <i>31 December</i> <i>2010</i> <i>\$'000</i>	<i>Audited</i> <i>31 December</i> <i>2009</i> <i>\$'000</i>	<i>Audited</i> <i>31 December</i> <i>2008</i> <i>\$'000</i>
<b>Unsecured borrowing at amortised cost</b>				
Loans from related parties	–	–	2,000	3,934
<b>Secured borrowing at amortised cost</b>				
Bank loans	3,526	3,795	1,889	–
	<u>3,526</u>	<u>3,795</u>	<u>3,889</u>	<u>3,934</u>
<b>Total borrowings</b>				
Amount due for settlement within 12 months	490	307	157	2,000
Amount due for settlement after 12 months	3,036	3,488	3,732	1,934

All borrowings are denominated in US dollars.

The other principal features of Legacy's borrowings are as follows:

- (i) 2008 – the borrowing was at an interest rate of 14 per cent. per annum and was repaid in 2009 – the loan was from Pandora Select Partners, LP, a related party.
- (ii) 2009 – the secured borrowing was at an interest rate of 6 per cent. per annum and was repaid in 2010. The unsecured borrowing was at 12 per cent. from Accommodators Inc, a related party, and was repaid in 2010.
- (iii) 2010 – the borrowing is at an interest rate of 5.25 per cent. per annum secured on the property of the business, and is repayable in full by January 2017.

#### 16. Members' Capital

	<i>Unaudited</i> <i>30 June</i> <i>2011</i> <i>\$'000</i>	<i>Audited</i> <i>31 December</i> <i>2010</i> <i>\$'000</i>	<i>Audited</i> <i>31 December</i> <i>2009</i> <i>\$'000</i>	<i>Audited</i> <i>31 December</i> <i>2008</i> <i>\$'000</i>
Members' Capital	29	(316)	(929)	(1,172)

Legacy is a US LLC and as such it does not have share capital. The above table sets out the capital accounts of Legacy's Members.

## LS Legacy Sports Group LLC

### Notes to the historical financial information

For the period from 1 January 2008 to 30 June 2011

#### 17. Operating lease agreements

##### *Legacy as lessee*

At the balance sheet date, Legacy had outstanding commitments for future minimum lease payments under non cancellable operating leases, which fall due as follows:

	<i>Unaudited</i> <i>30 June</i> <i>2011</i> <i>\$'000</i>	<i>Audited</i> <i>31 December</i> <i>2010</i> <i>\$'000</i>	<i>Audited</i> <i>31 December</i> <i>2009</i> <i>\$'000</i>	<i>Audited</i> <i>31 December</i> <i>2008</i> <i>\$'000</i>
Within one year	278	414	330	336
In the second to fifth years inclusive	917	137	375	704
	<u>1,195</u>	<u>551</u>	<u>705</u>	<u>1,040</u>

Operating lease payments represent rentals payable by Legacy for certain of its office properties.

#### 18. Retirement benefit schemes

A 401(K) defined contribution plan was established on 1 January 2011, where Legacy matches 50 per cent. of an employee's contributions up to a maximum of 3.5 per cent. of the employee's salary.

#### 19. Financial risk management objectives

Legacy is exposed to financial risks in respect of:

- Credit risk
- Market risk
- Interest rates
- Liquidity

A description of each risk, together with the policy for managing risk is given below.

##### *Credit Risk*

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with Legacy. Legacy only trades with recognised, credit worthy customers. All customers who wish to trade on credit are subject to credit checks. Customer balances are checked regularly to ensure that the risk exposure to bad debt is minimised. The financial assets exposed to credit risk were as follows:

	<i>Unaudited</i> <i>30 June</i> <i>2011</i> <i>\$'000</i>	<i>Audited</i> <i>31 December</i> <i>2010</i> <i>\$'000</i>	<i>Audited</i> <i>31 December</i> <i>2009</i> <i>\$'000</i>	<i>Audited</i> <i>31 December</i> <i>2008</i> <i>\$'000</i>
Trade and other receivables	2,920	1,867	2,969	2,607
Cash	1,219	2,276	889	1,218
	<u>4,319</u>	<u>4,143</u>	<u>3,858</u>	<u>3,825</u>

The Directors and Members consider that the above amounts will be recoverable in full.

##### *Market risk*

Legacy is exposed to interest rate risk because it has floating interest rates, although this is not deemed significant. Legacy does not enter into derivative transactions.

## LS Legacy Sports Group LLC

### Notes to the historical financial information

For the period from 1 January 2008 to 30 June 2011

#### *Liquidity risk management*

The Directors and Members are responsible for the management of liquidity risk. The Directors and Members evaluate and follow continuously the amount of liquid funds needed for business operations in order to secure the funding needed for business activities and loan repayments. Management of liquidity risk is achieved by monitoring budgets, forecasts and actual cash flow.

#### 20. Notes to the cash flow statement

	<i>Unaudited 6 months ended 30 June 2011 \$'000</i>	<i>Unaudited 6 months ended 30 June 2010 \$'000</i>	<i>Audited Year ended 31 December 2010 \$'000</i>	<i>Audited Year ended 31 December 2009 \$'000</i>	<i>Audited Year ended 31 December 2008 \$'000</i>
Operating profit for the period	1,585	1,259	1,245	790	211
Adjustments for:					
Depreciation of property, plant and equipment	1	1	7	33	33
Amortisation of intangible assets	–	74	75	298	236
Loss on disposal of property, plant and equipment	–	–	2	–	–
	<u>1,586</u>	<u>1,334</u>	<u>1,329</u>	<u>1,121</u>	<u>480</u>
Decrease/(increase) in trade receivables	(1,053)	(851)	1,102	(362)	2,326
Increase/(decrease) in and other payables	(81)	(281)	(298)	(499)	(2,167)
	<u>452</u>	<u>202</u>	<u>2,133</u>	<u>260</u>	<u>639</u>
Income taxes paid	(11)	(8)	(10)	(7)	(1)
Interest paid	(106)	(282)	(460)	(540)	(674)
	<u>335</u>	<u>(88)</u>	<u>1,663</u>	<u>(287)</u>	<u>(36)</u>
Net cash inflow/(outflow) from operating activities	<u>335</u>	<u>(88)</u>	<u>1,663</u>	<u>(287)</u>	<u>(36)</u>

#### Cash and cash equivalents

	<i>Unaudited 30 June 2011 \$'000</i>	<i>Audited 31 December 2010 \$'000</i>	<i>Audited 31 December 2009 \$'000</i>	<i>Audited 31 December 2008 \$'000</i>
Cash and bank balances	1,219	2,276	889	1,218
Bank overdrafts	–	–	–	–
	<u>1,219</u>	<u>2,276</u>	<u>889</u>	<u>1,218</u>

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.

## LS Legacy Sports Group LLC

### Notes to the historical financial information

For the period from 1 January 2008 to 30 June 2011

#### 21. Ultimate parent undertaking and controlling party

Legacy has five Members, who between them control Legacy. As such, no one individual is deemed to be the ultimate controlling party.

#### 22. Related party transactions

At the year end, Legacy had the following outstanding balances with related parties:

	<i>Unaudited</i> 30 June 2011 \$'000	<i>Audited</i> 31 December 2010 \$'000	<i>Audited</i> 31 December 2009 \$'000	<i>Audited</i> 31 December 2008 \$'000
Accommodators, Inc	–	–	(2,000)	–
	<u>–</u>	<u>–</u>	<u>(2,000)</u>	<u>(3,981)</u>

The following amounts were received from related parties:

	<i>Unaudited</i> Six months ended 30 June 2011 \$'000	<i>Unaudited</i> Six months ended 30 June 2010 \$'000	<i>Audited</i> Year ended 31 December 2010 \$'000	<i>Audited</i> Year ended 31 December 2009 \$'000	<i>Audited</i> Year ended 31 December 2008 \$'000
Accommodators, Inc (advance of a loan)	–	–	–	2,000	–
	<u>–</u>	<u>–</u>	<u>–</u>	<u>2,000</u>	<u>–</u>

The following amounts were paid to related parties:

	<i>Unaudited</i> Six months ended 30 June 2011 \$'000	<i>Unaudited</i> Six months ended 30 June 2010 \$'000	<i>Audited</i> Year ended 31 December 2010 \$'000	<i>Audited</i> Year ended 31 December 2009 \$'000	<i>Audited</i> Year ended 31 December 2008 \$'000
Accommodators, Inc (loan repayment)	–	(2,008)	(2,008)	–	–
Genske, Mulder & Company, LLP (professional services)	(14)	(3)	(5)	(11)	(4)
	<u>(14)</u>	<u>(2,011)</u>	<u>(2,013)</u>	<u>(4,145)</u>	<u>(3,834)</u>

#### **Remuneration of key management personnel**

The remuneration of the Members of Legacy (considered the key management personnel), is set out below.

## LS Legacy Sports Group LLC

### Notes to the historical financial information

For the period from 1 January 2008 to 30 June 2011

	<i>Unaudited Six months ended 30 June 2011 \$'000</i>	<i>Unaudited Six months ended 30 June 2010 \$'000</i>	<i>Audited Year ended 31 December 2010 \$'000</i>	<i>Audited Year ended 31 December 2009 \$'000</i>	<i>Audited Year ended 31 December 2008 \$'000</i>
Members' remuneration charged to the income statement	1,036	814	2,818	1,872	1,742
Members' remuneration taken as drawings	1,123	–	162	–	–
Total Members' remuneration	<u>2,159</u>	<u>814</u>	<u>2,980</u>	<u>1,872</u>	<u>1,742</u>

## PART V

### FINANCIAL INFORMATION ON THE AGENCY

#### SECTION A – ACCOUNTANT’S REPORT ON THE AGENCY

# Deloitte.

Deloitte LLP  
Abbots House  
Abbey Street  
Reading  
RG1 3BD

The Board of Directors  
on behalf of TLA Worldwide plc  
6-8 Bouverie Street  
London  
EC4Y 8DD

Cenkos Securities plc  
6.7.8 Tokenhouse Yard  
London  
EC2R 7AS

2 December 2011

Dear Sirs

#### **Goal Marketing LLC, Goal Marketing II LLC and The Agency Sports Management LLC**

We report on the aggregated financial information of Goal Marketing LLC, Goal Marketing II LLC and The Agency Sports Management LLC (together the “Agency”) for the three years ended 31 December 2010 set out in Section B of Part V of the AIM admission document dated 2 December 2011 of TLA Worldwide plc (the “Company”) (the “Admission Document”). This financial information has been prepared for inclusion in the Admission Document on the basis of the accounting policies set out in note 3 to the financial information. This report is required by Annex I item 20.1 of Commission Regulation (EC) No 809/2004 (the “Prospectus Directive Regulation”) as applied by Paragraph (a) of Schedule Two to the AIM Rules for Companies and is given for the purpose of complying with that requirement and for no other purpose.

We have not audited or reviewed the financial information for the period ended 30 June 2011, and the period ended 30 June 2010 which has been included for comparative purposes only, and accordingly do not express an opinion thereon.

#### **Responsibilities**

The Directors of the Company are responsible for preparing the financial information on the basis of preparation set out in note 3 to the financial information.

It is our responsibility to form an opinion on the financial information and to report our opinion to you.

Save for any responsibility arising under paragraph (a) of Schedule Two to the AIM Rules for Companies to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in accordance with this report or our statement, required by and given

solely for the purposes of complying with Annex I item 23.1 of the Prospectus Directive Regulation as applied by Paragraph (a) of Schedule Two to the AIM Rules for Companies, consenting to its inclusion in the Admission Document.

### **Basis of opinion**

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside the United Kingdom, including the United States of America, and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

### **Opinion on financial information**

In our opinion, the aggregated financial information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of the Agency as at 31 December 2010, 31 December 2009 and 31 December 2008 and of its profits, cash flows and changes in equity for the years then ended in accordance with the basis of preparation set out in note 3 to the financial information.

### **Declaration**

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules for Companies, we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two to the AIM Rules for Companies.

Yours faithfully

Deloitte LLP  
Chartered Accountants

*Deloitte LLP is a limited liability partnership registered in England and Wales with registered number OC303675 and its registered office at 2 New Street Square, London EC4A 3BZ, United Kingdom. Deloitte LLP is the United Kingdom member firm of Deloitte Touche Tohmatsu Limited ("DTTL"), a UK private company limited by guarantee, whose member firms are legally separate and independent entities. Please see [www.deloitte.co.uk/about](http://www.deloitte.co.uk/about) for a detailed description of the legal structure of DTTL and its member firms.*

**Member of Deloitte Touche Tohmatsu Limited**

## SECTION B – FINANCIAL INFORMATION ON THE AGENCY

### The Agency

#### Income statement

For the period from 1 January 2008 to 30 June 2011

		<i>Unaudited</i>	<i>Unaudited</i>	<i>Audited</i>	<i>Audited</i>	<i>Audited</i>
		<i>Six months</i>	<i>Six months</i>	<i>Year</i>	<i>Year</i>	<i>Year</i>
		<i>ended 30</i>	<i>ended 30</i>	<i>ended 31</i>	<i>ended 31</i>	<i>ended 31</i>
		<i>June 2011</i>	<i>June 2010</i>	<i>December</i>	<i>December</i>	<i>December</i>
	<i>Note</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
<b>Continuing operations</b>						
Revenue	5	2,310	1,889	4,389	3,420	3,895
Cost of sales		(55)	(56)	(273)	(155)	(204)
<b>Gross Profit</b>		<u>2,255</u>	<u>1,833</u>	<u>4,116</u>	<u>3,265</u>	<u>3,691</u>
Administrative expenses		(691)	(474)	(987)	(897)	(1,027)
<b>Operating profit</b>		<u>1,564</u>	<u>1,359</u>	<u>3,129</u>	<u>2,368</u>	<u>2,664</u>
Investment income	8	1	2	2	1	13
<b>Profit before tax</b>		<u>1,565</u>	<u>1,361</u>	<u>3,131</u>	<u>2,369</u>	<u>2,677</u>
Taxation	9	(82)	–	–	–	–
<b>Profit and total comprehensive income attributable to the equity holders in Agency</b>	6	<u>1,483</u>	<u>1,361</u>	<u>3,131</u>	<u>2,369</u>	<u>2,677</u>

## The Agency

### Statement of financial position

As at 31 December 2008, 2009 and 2010, and 30 June 2011

		<i>Unaudited</i>	<i>Audited</i>	<i>Audited</i>	<i>Audited</i>
		<i>30 June</i>	<i>31 December</i>	<i>31 December</i>	<i>31 December</i>
		<i>2011</i>	<i>2010</i>	<i>2009</i>	<i>2008</i>
	<i>Note</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment	11	2	5	8	11
Investments	10	–	–	–	24
		<u>2</u>	<u>5</u>	<u>8</u>	<u>35</u>
<b>Current assets</b>					
Trade and other receivables	12	1,411	900	1,396	736
Cash and bank balances		38	75	20	14
		<u>1,449</u>	<u>975</u>	<u>1,416</u>	<u>750</u>
<b>Total assets</b>		<u>1,451</u>	<u>980</u>	<u>1,424</u>	<u>785</u>
<b>Current liabilities</b>					
Trade and other payables	13	762	398	748	208
<b>Net current assets</b>		<u>687</u>	<u>577</u>	<u>668</u>	<u>542</u>
<b>Net assets</b>		<u>689</u>	<u>582</u>	<u>676</u>	<u>577</u>
<b>Equity</b>					
Members' capital	14	689	582	676	577
<b>Total equity</b>		<u>689</u>	<u>582</u>	<u>676</u>	<u>577</u>

**The Agency**

**Statement of changes in equity**

For the period from 1 January 2008 to 30 June 2011

	<i>Members' Capital \$'000</i>	<i>Total Equity \$'000</i>
<b>Balance at 1 January 2008</b>	747	747
Profit and total comprehensive income for the year	2,677	2,677
Distributions to Members	(2,847)	(2,847)
<b>Balance at 1 January 2009</b>	577	577
Profit and total comprehensive income for the year	2,369	2,369
Distributions to Members	(2,270)	(2,270)
<b>Balance at 1 January 2010</b>	676	676
Profit and total comprehensive income for the year	3,131	3,131
Distributions to Members	(3,225)	(3,225)
<b>Balance at 1 January 2011</b>	582	582
Profit and total comprehensive income for the period	1,483	1,483
Distributions to Members	(1,376)	(1,376)
<b>Balance at 30 June 2011</b>	689	689

**The Agency****Statement of cash flows**

For the period from 1 January 2008 to 30 June 2011

		<i>Unaudited</i>	<i>Unaudited</i>	<i>Audited</i>	<i>Audited</i>	<i>Audited</i>
		<i>Six months</i>	<i>Six months</i>	<i>Year</i>	<i>Year</i>	<i>Year</i>
		<i>ended 30</i>	<i>ended 30</i>	<i>ended 31</i>	<i>ended 31</i>	<i>ended 31</i>
		<i>June 2011</i>	<i>June 2010</i>	<i>December</i>	<i>December</i>	<i>December</i>
	<i>Notes</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
<b>Cash inflows from operating activities</b>	18	1,338	1,542	3,278	2,251	2,791
<b>Cash flows from investing activities</b>						
Interest received		1	2	2	1	13
Proceeds on disposal of property, plant and equipment		–	–	–	24	–
<b>Net cash generated by investing activities</b>		1	2	2	25	13
<b>Cash flows from financing activities</b>						
Distributions paid to Members		(1,376)	(1,336)	(3,225)	(2,270)	(2,847)
<b>Net cash used in financing activities</b>		(1,376)	(1,336)	(3,225)	(2,270)	(2,847)
<b>Net (decrease)/increase in cash and cash equivalents</b>		(37)	208	55	6	(43)
<b>Cash and cash equivalents at beginning of year/period</b>		75	20	20	14	57
<b>Cash and cash equivalents at end of year/period</b>		38	228	75	20	14

## **The Agency**

### **Notes to the financial statements**

For the period 1 January 2008 to 30 June 2011

#### **1. General Information**

The Agency is a leading full-service independent marketing and management company specialising in the representation of high-profile personalities and brands. The Agency represents established and rising stars in sports, media, entertainment and celebrity chefs. The Agency consists of three entities, Goal Marketing, LLC, Goal Marketing II, LLC and The Agency Sports Management, LLC, (together the 'Agency Entities') all based in New York.

The Agency's historical financial information is presented in US dollars.

#### **2. Adoption of new and revised International Financial Reporting Standards as adopted by the EU (IFRS)**

This historical financial information is The Agency's first historical financial information prepared under IFRS, with an adoption date of 1 January 2008. All figures shown in this historical financial information are stated in accordance with the accounting policies set out below. The opening balance sheet at 1 January 2008 is prepared under IFRS. Therefore no IFRS 1 exemptions from retrospective application of IFRS have been taken.

At the date of authorisation of this historical financial information, the following Standards and Interpretations which have not been applied in this historical financial information were in issue but not yet effective:

IFRS 3 (revised 2008)	Business Combinations
IFRS 9	Financial Instruments
IAS 24 (revised 2010)	Related Party Disclosures
IAS 27 (revised 2008)	Consolidated and Separate Financial Statements
IAS 32 (amendment)	Classification of Rights Issues
IAS 39 (amendment)	Eligible Hedge Items
IFRIC 14 (amendment)	Prepayments of a Minimum Funding Requirement
IFRIC 17	Distributions of Non-cash Assets to Owners
IFRIC 18	Transfers of Assets from Customers
IFRIC 19	Extinguishing Liabilities with Equity Instruments Improvements to IFRSs (April 2010).

The Directors and Members do not anticipate that the adoption of these standards and interpretations in future periods will have a material impact on the financial information.

#### **3. Significant Accounting Policies**

##### ***Basis of preparation***

The Agency Entities are not held by a single legal entity, and accordingly consolidated historical financial information does not exist. For the purpose of the historical financial information, in order to present the historical results of The Agency, the Agency Entities have been aggregated to present them as a combined group. As the Agency Entities have been ultimately controlled and managed by the same parties, this presentation of aggregated financial information is in accordance with the guidance in the Annexure to Statement of Investment Reporting 2000 "Investment Reporting Standards Applicable to Public Reporting Engagements on Historical Financial Information" (the "Annexure").

## **The Agency**

### **Notes to the financial statements**

For the period 1 January 2008 to 30 June 2011

The historical financial information of The Agency is based on the historical financial information of each of the Agency Entities. The historical financial information was prepared based on the following principles:

- The assets and liabilities, income and expenses, and cash flows of the Agency Entities have been aggregated;
- The total amounts of Members' capital in the Agency Entities have been aggregated and reflected as members' capital;
- All significant intra-group transactions, balances and profits have been eliminated.

Other than the presentation of aggregated financial information for the Agency Entities in accordance with the Annexure, the historical financial information has been prepared in accordance with IFRS as issued by the International Accounting Standards Board (IASB) and therefore complies with Article 4 of the EU IAS Regulation. The historical financial information has been prepared on the historical cost basis except for certain financial instruments that are carried at fair value in accordance with the accounting policies set out below. Accounting policies have been applied consistently throughout the period covered by the historical financial information.

#### ***Revenue***

Revenue is measured as the fair value of the consideration received or receivable and comprises the gross amounts billed to clients in respect of fees earned and commission-based income and is stated exclusive of any relevant sales taxes. Revenue is recognised on an accruals basis in line with the provision of relevant services under the terms of the contract, provided that it is probable that the economic benefits will flow to The Agency and the amount of revenue can be measured reliably.

All revenue is earned from talent and sports marketing, and can be split into three revenue streams:

#### ***Talent and sports marketing***

Talent and sports marketing revenue is generated from commission calculated as a percentage of fees earned by athletes or other personalities. Revenue is recognised based on the terms of the individual contracts, generally in the period in which the associated fees are earned by the athlete.

#### ***Talent brokerage***

Talent brokerage revenue is generated from fees payable by third parties for identification and sourcing of athletes to provide services to or make appearances for third parties, under the terms of individual contracts. Revenue is recognised based on the terms of the individual contracts, generally in the period in which the associated fees are earned by the athlete.

#### ***Consulting projects***

Consulting project revenue is generated from fees payable by third parties for consulting services provided under the terms of individual project contracts. The revenue is recognised in the period in which the consulting services are provided.

#### ***Cost of sales***

Cost of sales includes commission-based staff costs, including salaries, bonuses and social security costs, and expenses reimbursed to commission-based agents.

#### ***Income taxes***

The Agency is a US LLC and is treated as a flow-through entity for both US federal and state income tax purposes. As such, its Members are taxed on their distributable share of the profits of the business, and The Agency itself is not subject to US federal or state income tax. Therefore, no provision or liability for federal

## **The Agency**

### **Notes to the financial statements**

For the period 1 January 2008 to 30 June 2011

or state income taxes related to Agency is included in this historical financial information. Agency reports income earned from the partnership on the cash basis accounting method for tax purposes and on the accrual basis accounting method for historical financial information purposes.

#### ***Other taxes***

Other state and city taxes are charged to the income statement in the period to which they relate.

#### ***Leasehold improvements, furniture and equipment***

The leasehold improvements, furniture and equipment are stated at cost. Depreciation is computed primarily on the straight-line method using an estimated useful life ranging from five to fifteen years. Repairs and maintenance are charged to expense in the year incurred, major improvements and new assets are capitalised and depreciated.

#### ***Leases***

Leases where substantially all of the risks and rewards of ownership are not transferred to The Agency are treated as operating leases. Rentals under operating leases are charged against profits on a straight line basis over the period of the lease.

#### ***Financial Instruments***

Financial assets and financial liabilities are recognised on The Agency's statement of financial position when The Agency becomes a party to the contractual provisions of the instrument.

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

Cash comprises cash, overdrafts and cash held on short-term deposit (up to three months).

#### ***Trade Receivables***

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

#### ***Investments***

Investments are recognised and derecognised on a trade date where a purchase or sale of an investment is under contract whose terms require the delivery of the investment within the timeframe established by the market concerned, and are initially measured at cost, including transaction costs. Investments are classified either as available for sale, and are measured at subsequent reporting dates at fair value, or at amortised cost, where no fair value is readily determinable.

Gains and losses on available for sale financial assets arising from changes in fair value are recognised directly in equity, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in the net profit or loss for the period.

#### ***Bank Borrowings***

Interest bearing bank loans and overdrafts are recorded at the fair value of proceeds received, net of direct issue costs.

#### ***Trade Payables***

Trade payables are not interest-bearing and are stated at their nominal value.

#### ***Distributions***

Any payments made to Members arising from a division of profits that is discretionary on the part of The Agency is treated as an allocation of profit and not charged to the income statement.

## The Agency

### Notes to the financial statements

For the period 1 January 2008 to 30 June 2011

#### 4. Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS requires Agency to make certain judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. These estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates under different assumptions or conditions.

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.

The Directors and Members consider that the most significant area of accounting estimate relates to:

- revenue recognition, where variable contract terms may lead to a requirement for different revenue recognition. The Directors and Members review the revenue recognition applied on a contract by contract basis to ensure appropriate revenue recognition policies are applied.

#### 5. Revenue

All revenue is generated from The Agency's single operating segment, talent and sports marketing.

IFRS 8 paragraph 34 requires disclosure of revenues by customer for each customer that generates in excess of 10 per cent. of The Agency's total revenues in a period. In the six months ended 30 June 2011, 1 client generated in excess of 10 per cent. of total revenue (six months ended 30 June 2010: 1 client). In the year ended 31 December 2010, 1 client generated in excess of 10 per cent. of total revenue (2009: 1 client; 2008: 1 client).

The Directors and Members consider that disclosure of revenues earned from each of the clients from whom in excess of 10 per cent. of total revenue is generated, together with the public nature of The Agency's key clients, could enable identification of the clients, together with the earnings of those clients and the revenues generated from them, and that such information would be seriously prejudicial to the business of The Agency and could be in contravention of The Agency's contractual arrangements with their clients. As such, this disclosure has not been provided, in contravention of paragraph 34 of IFRS 8.

#### 6. Profit for the period/year

Profit for the period/year has been arrived at after charging:

	<i>Unaudited Six months ended 30 June 2011 \$'000</i>	<i>Unaudited Six months ended 30 June 2010 \$'000</i>	<i>Audited Year ended 31 December 2010 \$'000</i>	<i>Audited Year ended 31 December 2009 \$'000</i>	<i>Audited Year ended 31 December 2008 \$'000</i>
Depreciation of property, plant and equipment	3	1	3	3	4
Staff costs (see note 7)	109	132	204	199	182
Impairment of investments	–	–	–	25	–
Operating lease rentals – land and buildings	56	56	112	56	7
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

The financial information of The Agency has not previously been subject to audit. Therefore, no audit fees were incurred in any of the periods shown above.

## The Agency

### Notes to the financial statements

For the period 1 January 2008 to 30 June 2011

#### 7. Staff costs

The average monthly number of employees, including Members was:

	<i>Unaudited Six months ended 30 June 2011 Number</i>	<i>Unaudited Six months ended 30 June 2010 Number</i>	<i>Audited Year ended 31 December 2010 Number</i>	<i>Audited Year ended 31 December 2009 Number</i>	<i>Audited Year ended 31 December 2008 Number</i>
Administrative/Support	5	5	5	4	3
Agents (all Members)	5	5	5	5	5
	<u>10</u>	<u>10</u>	<u>10</u>	<u>9</u>	<u>8</u>

Their aggregate remuneration comprised:

	<i>Unaudited Six months ended 30 June 2011 \$'000</i>	<i>Unaudited Six months ended 30 June 2010 \$'000</i>	<i>Audited Year ended 31 December 2010 \$'000</i>	<i>Audited Year ended 31 December 2009 \$'000</i>	<i>Audited Year ended 31 December 2008 \$'000</i>
Wages and salaries	85	113	188	194	175
Social security costs	24	19	16	5	7
	<u>109</u>	<u>132</u>	<u>204</u>	<u>199</u>	<u>182</u>

#### 8. Investment income

	<i>Unaudited Six months ended 30 June 2011 \$'000</i>	<i>Unaudited Six months ended 30 June 2010 \$'000</i>	<i>Audited Year ended 31 December 2010 \$'000</i>	<i>Audited Year ended 31 December 2009 \$'000</i>	<i>Audited Year ended 31 December 2008 \$'000</i>
Interest on bank deposits	1		2	1	13

#### 9. Taxation

	<i>Unaudited Six months ended 30 June 2011 \$'000</i>	<i>Unaudited Six months ended 30 June 2010 \$'000</i>	<i>Audited Year ended 31 December 2010 \$'000</i>	<i>Audited Year ended 31 December 2009 \$'000</i>	<i>Audited Year ended 31 December 2008 \$'000</i>
State and City taxes	82	—	—	—	—
Total taxes	<u>82</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

The Agency companies are US LLCs which are treated as partnerships for federal and state income tax purposes. Accordingly, income or losses are passed through to the Members and therefore, no federal or state income taxes are imposed at the entity level. In 2011, The Agency will begin filing city taxes. The Agency has therefore recorded a tax expense as set out above.

## The Agency

### Notes to the financial statements

For the period 1 January 2008 to 30 June 2011

#### 10. Investments

Investments in 2008 comprise a holding of 50 per cent. of The Agency Speakers LLC, which was fully written off in 2009.

#### 11. Property, plant and equipment

*Property, plant  
and equipment  
\$'000*

##### Cost or valuation

At 1 January 2008, 31 December 2008, 31 December 2009 and  
31 December 2010 70

##### Accumulated depreciation and impairment

At 1 January 2008 55

Charge for the year 4

At 31 December 2008 59

Charge for the year 3

At 31 December 2009 62

Charge for the year 3

At 31 December 2010 65

Charge for the year 2

At 30 June 2011 67

##### Carrying amount

At 30 June 2011 2

At 31 December 2010 5

At 31 December 2009 8

At 31 December 2008 11

#### 12. Trade and other receivables

	<i>Unaudited 30 June 2011 \$'000</i>	<i>Audited 31 December 2010 \$'000</i>	<i>Audited 31 December 2009 \$'000</i>	<i>Audited 31 December 2008 \$'000</i>
Trade receivables	1,411	900	1,396	736
Allowance for doubtful debts	–	–	–	–
	<u>1,411</u>	<u>900</u>	<u>1,396</u>	<u>736</u>

## The Agency

### Notes to the financial statements

For the period 1 January 2008 to 30 June 2011

#### Trade receivables

Amounts receivable from trade customers are non interest bearing and are generally on 30–60 day terms.

Ageing of trade receivables that are not provided for:

	<i>Unaudited</i> <i>30 June</i> <i>2011</i> <i>\$'000</i>	<i>Audited</i> <i>31 December</i> <i>2010</i> <i>\$'000</i>	<i>Audited</i> <i>31 December</i> <i>2009</i> <i>\$'000</i>	<i>Audited</i> <i>31 December</i> <i>2008</i> <i>\$'000</i>
Current	788	484	670	328
1 – 30 days	236	201	333	106
31 – 60 days	111	41	108	32
61 – 90 days	100	8	13	27
> 90 days	176	166	272	243
Total	<u>1,411</u>	<u>900</u>	<u>1,396</u>	<u>736</u>

Trade receivables disclosed above include amounts (see above for aged analysis) which are past due at the reporting date but against which The Agency has not recognised an allowance for doubtful debts because the amounts continue to be considered recoverable.

The Directors and Members have considered the material receivables that are past due dates with senior management directly responsible for those relationships. On the basis of these discussions and the credit control procedures in place the Directors and Members consider that these receivables are recoverable. The carrying amount of trade receivables is considered a reasonable approximation of their fair value.

#### 13. Trade and other payables

	<i>Unaudited</i> <i>30 June</i> <i>2011</i> <i>\$'000</i>	<i>Audited</i> <i>31 December</i> <i>2010</i> <i>\$'000</i>	<i>Audited</i> <i>31 December</i> <i>2009</i> <i>\$'000</i>	<i>Audited</i> <i>31 December</i> <i>2008</i> <i>\$'000</i>
Trade creditors and accruals	658	379	710	192
Deferred Income	22	19	38	16
Taxation payable	82	–	–	–
	<u>762</u>	<u>398</u>	<u>748</u>	<u>208</u>

The Directors and Members consider that the carrying amount of trade and other payables approximates to their fair value.

#### 14. Members' Capital

	<i>Unaudited</i> <i>30 June</i> <i>2011</i> <i>\$'000</i>	<i>Audited</i> <i>31 December</i> <i>2010</i> <i>\$'000</i>	<i>Audited</i> <i>31 December</i> <i>2009</i> <i>\$'000</i>	<i>Audited</i> <i>31 December</i> <i>2008</i> <i>\$'000</i>
Members' Capital	<u>689</u>	<u>582</u>	<u>676</u>	<u>577</u>

The Agency consists of three US LLCs and as such does not have paid up share capital. The above table sets out the combined capital accounts of its Members.

## The Agency

### Notes to the financial statements

For the period 1 January 2008 to 30 June 2011

#### 15. Operating lease agreements

##### *The Agency as lessee*

At the balance sheet date, The Agency had outstanding commitments for future minimum lease payments under non cancellable operating leases, which fall due as follows:

	<i>Unaudited</i> <i>30 June</i> <i>2011</i> <i>\$'000</i>	<i>Audited</i> <i>31 December</i> <i>2010</i> <i>\$'000</i>	<i>Audited</i> <i>31 December</i> <i>2009</i> <i>\$'000</i>	<i>Audited</i> <i>31 December</i> <i>2008</i> <i>\$'000</i>
Within one year	115	112	112	56
In the second to fifth years inclusive	182	241	241	241
	<u>297</u>	<u>353</u>	<u>353</u>	<u>297</u>

Operating lease payments represent rentals payable by The Agency for its office property.

#### 16. Financial risk management objectives

The Agency is exposed to financial risks in respect of:

- Credit risk
- Market risk
- Interest rates
- Liquidity

A description of each risk, together with the policy for managing risk is given below.

##### *Credit Risk*

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with The Agency. The Agency only trades with recognised, credit worthy customers. All customers who wish to trade on credit are subject to credit checks. Customer balances are checked regularly to ensure that the risk exposure to bad debt is minimised. The financial assets exposed to credit risk were as follows:

##### **Financial asset – credit quality and concentration of credit risk**

##### **Neither past due or impaired**

	<i>Unaudited</i> <i>30 June</i> <i>2011</i> <i>\$'000</i>	<i>Audited</i> <i>31 December</i> <i>2010</i> <i>\$'000</i>	<i>Audited</i> <i>31 December</i> <i>2009</i> <i>\$'000</i>	<i>Audited</i> <i>31 December</i> <i>2008</i> <i>\$'000</i>
Trade and other receivables	1,411	900	1,396	736
Cash	38	75	20	14
	<u>1,449</u>	<u>975</u>	<u>1,416</u>	<u>750</u>

The Directors and Members consider that the above amounts will be recoverable in full.

##### *Market risk*

The Agency has no borrowings and therefore is not exposed to interest rate risk. It does not enter into derivative transactions.

## The Agency

### Notes to the financial statements

For the period 1 January 2008 to 30 June 2011

#### Interest rate risk management

The Agency has no borrowing and therefore is not exposed to interest rate risk.

#### Liquidity risk management

The Directors and Members are responsible for the management of liquidity risk. Management of liquidity risk is achieved by monitoring budgets, forecasts and actual cash flow.

### 17. Notes to the statement of cash flows

	<i>Unaudited 6 months ended 30 June 2011 \$'000</i>	<i>Unaudited 6 months ended 30 June 2010 \$'000</i>	<i>Audited Year ended 31 December 2010 \$'000</i>	<i>Audited Year ended 31 December 2009 \$'000</i>	<i>Audited Year ended 31 December 2008 \$'000</i>
Operating profit for the period	1,564	1,359	3,129	2,368	2,664
Adjustments for:					
Depreciation of property, plant and equipment	3	1	3	3	4
Impairment of investment	–	–	–	25	–
	<u>1,567</u>	<u>1,360</u>	<u>3,132</u>	<u>2,396</u>	<u>2,668</u>
Movements in working capital:					
(Increase)/decrease in trade and other receivables	(511)	640	496	(661)	286
Increase/(decrease) in trade and other payables	<u>282</u>	<u>(458)</u>	<u>(350)</u>	<u>540</u>	<u>(163)</u>
Net cash inflow from operating activities	<u>1,338</u>	<u>1,542</u>	<u>3,278</u>	<u>2,251</u>	<u>2,791</u>
<b>Cash and cash equivalents</b>					
	<i>Unaudited 30 June 2011 \$'000</i>	<i>Unaudited 30 June 2010 \$'000</i>	<i>Audited 31 December 2010 \$'000</i>	<i>Audited 31 December 2009 \$'000</i>	<i>Audited 31 December 2008 \$'000</i>
Cash and bank balances	<u>38</u>	<u>228</u>	<u>75</u>	<u>20</u>	<u>14</u>

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.

### 18. Ultimate parent undertaking and controlling party

The Agency has five Members, who between them control The Agency. As such, no one individual is deemed to be the ultimate controlling party.

## The Agency

### Notes to the financial statements

For the period 1 January 2008 to 30 June 2011

#### 19. Related party transactions

The following transactions were carried out with related parties:

	<i>Unaudited</i> <i>6 months</i> <i>ended 30</i> <i>June 2011</i> <i>\$'000</i>	<i>Unaudited</i> <i>6 months</i> <i>ended 30</i> <i>June 2010</i> <i>\$'000</i>	<i>Audited</i> <i>Year ended</i> <i>31 December</i> <i>2010</i> <i>\$'000</i>	<i>Audited</i> <i>Year ended</i> <i>31 December</i> <i>2009</i> <i>\$'000</i>	<i>Audited</i> <i>Year ended</i> <i>31 December</i> <i>2008</i> <i>\$'000</i>
Agency Lifestyle LLC	63	34	131	85	–

No amounts were outstanding at the balance sheet date in respect of related parties.

#### *Remuneration of key management personnel*

The remuneration of the Members of The Agency (considered to be key management personnel) is set out below. The Members of The Agency are remunerated through Members' distributions:

	<i>Unaudited</i> <i>6 months</i> <i>ended 30</i> <i>June 2011</i> <i>\$'000</i>	<i>Unaudited</i> <i>6 months</i> <i>ended 30</i> <i>June 2010</i> <i>\$'000</i>	<i>Audited</i> <i>Year ended</i> <i>31 December</i> <i>2010</i> <i>\$'000</i>	<i>Audited</i> <i>Year ended</i> <i>31 December</i> <i>2009</i> <i>\$'000</i>	<i>Audited</i> <i>Year ended</i> <i>31 December</i> <i>2008</i> <i>\$'000</i>
Members' remuneration	1,376	1,224	3,231	2,270	2,847

## PART VI

### UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following unaudited pro forma statement of net assets (the “Pro forma financial information”) has been prepared to show the effect on the net assets of TLA Worldwide plc of the Placing and the Acquisitions as if these events had occurred on 30 June 2011.

For the purpose of the preparation of the Pro forma financial information, the excess of the purchase price to be paid over the book value of the Legacy and Agency net assets, adjusted for assets and liabilities of Legacy and Agency that would not be purchased in the Acquisitions, has been attributed entirely to goodwill. On apportionment of the purchase price, fair values ascribed to intangible assets, and any other assets acquired or liabilities assumed, may result in material changes to the goodwill and the net asset position as recorded in this Pro forma financial information.

The statement of Pro forma net assets set out below is based on the net assets of TLA Worldwide plc on incorporation adjusted to reflect the net assets of Legacy and Agency as at 30 June 2011 contained in Part IV (Financial Information on Legacy) and Part V (Financial Information on Agency) of this document. This unaudited pro forma financial information has been prepared on the basis set out in the notes below and in accordance with the requirements of item 20.2 of Annex I and items 1 to 6 of Annex II to the Prospectus Directive Regulation.

This Pro forma financial information is for illustrative purposes only. Because of its nature, the Pro forma financial information addresses a hypothetical situation and, therefore, does not give a true picture of the financial position of the Group.

	<i>Adjustments</i>						
	<i>Legacy net assets at 30 June 2011</i>	<i>The Agency net assets at 30 June 2011</i>	<i>Assets and liabilities of Legacy and Agency not purchased in the Acquisitions</i>	<i>Proceeds of the Placing and Debt Financing net of expenses of the Acquisitions</i>	<i>Impact of the Acquisitions</i>	<i>Pro forma consolidated net assets at 30 June 2011</i>	
<i>Company net assets</i>	<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6), (7)</i>	<i>(8)</i>
	<i>(\$'000)</i>	<i>(\$'000)</i>	<i>(\$'000)</i>	<i>(\$'000)</i>	<i>(\$'000)</i>	<i>(\$'000)</i>	<i>(\$'000)</i>
<b>Non-current assets</b>							
Goodwill	–	–	–	–	–	50,735	50,735
Property, plant and equipment	–	26	2	–	–	–	28
	–	26	2	–	–	50,735	50,763
<b>Current assets</b>							
Trade and other receivables	–	2,920	1,411	(1,674)	–	–	2,657
Cash and bank balances	503	1,219	38	(1,257)	25,560	(24,522)	1,541
	503	4,139	1,449	(2,931)	25,560	(24,522)	4,198
<b>Total assets</b>	503	4,165	1,451	(2,931)	25,560	26,213	54,961
<b>Non-current liabilities</b>							
Borrowings	–	(3,036)	–	3,036	(8,000)	–	(8,000)
Deferred consideration	–	–	–	–	–	(17,461)	(17,461)
	–	(3,036)	–	3,036	(8,000)	(17,461)	(25,461)
<b>Current liabilities</b>							
Trade and other payables	–	(610)	(762)	1,154	–	(303)	(521)
Borrowings	–	(490)	–	490	(2,000)	–	(2,000)
	–	(1,100)	(762)	1,644	(2,000)	(303)	(2,521)
<b>Total liabilities</b>	–	(4,136)	(762)	4,680	(10,000)	(17,764)	(27,982)
<b>Net assets</b>	503	29	689	1,749	15,560	8,449	26,979

Notes:

- (1) As set out in Paragraph 2 of Part VII (Additional Information) the Company was incorporated on 16 August 2011 and will become the ultimate holding company of Legacy and Agency subsequent to the Acquisitions. Share capital subscribed on incorporation was £60,000 (\$93,000). Additional share capital of £261,000 (\$410,000) was subscribed on 2 December 2011.
- (2) The net assets of Legacy have been extracted without adjustment from the unaudited historical financial information of Legacy for the six months ended 30 June 2011 contained in Part IV (Financial Information on Legacy) of this document.
- (3) The net assets of the Agency have been extracted without adjustment from the unaudited historical financial information of the Agency for the six months ended 30 June 2011 contained in Part V (Financial Information on The Agency) of this document.
- (4) The Pro Forma financial information eliminates the assets and liabilities of Legacy and the Agency at 30 June 2011 that would not be purchased under the terms of the Acquisition Agreements. This includes cash balances of \$1,257,000 at 30 June 2011, trade receivables in Legacy that arose prior to 1 January 2011 of \$1,674,000 at 30 June 2011, trade and other payables in Legacy and the Agency of \$1,154,000 at 30 June 2011 and borrowings of \$3,526,000 in Legacy at 30 June 2011.
- (5) The net proceeds of the Placing are calculated on the basis that the Company issues 59,780,235 Ordinary Shares at £0.20 (\$0.31) per Ordinary Share for gross proceeds of \$18,751,000. Net of the estimated transaction expenses of \$3,191,000 the proceeds of the Placing net of expenses are \$15,560,000. The net proceeds of the Debt Financing represent a full drawdown of the \$10,000,000 facility.
- (6) Impact of the Acquisitions reflects the aggregate consideration of \$54,465,000, including payment of cash on completion of the Acquisitions of \$26,088,000 less \$1,566,000 for the working capital cash adjustment, and recognition of a liability for deferred consideration of \$17,461,000, of which \$3,950,000 is payable in Ordinary Shares in certain circumstances, as set out in paragraphs 13.1.3 and 13.2.3 of Part VII (Additional Information).
- (7) For the purpose of the preparation of the Pro forma financial information, the excess of the purchase price to be paid over the book value of Legacy and Agency net assets at 30 June 2011, adjusted for the assets and liabilities of Legacy and Agency that will not be purchased in the Acquisitions, has been attributed entirely to goodwill. On apportionment of the purchase price in the Company's financial statements for the period ended 31 December 2011, fair values ascribed to intangible assets, PP&E, receivables and any other assets acquired or liabilities assumed may result in material changes to the goodwill and the net asset position as recorded in this Pro forma financial information.
- (8) The Pro forma financial information takes no account of the results of Legacy or the Agency for the period subsequent to 30 June 2011, or of any other change in their financial positions in that period.

## PART VII

### ADDITIONAL INFORMATION

#### 1. RESPONSIBILITY STATEMENT

The Directors (whose names appear on page 6 of this Document) and the Company accept responsibility, both individually and collectively, for the information contained in this Document. To the best of the knowledge and belief of the Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this Document is in accordance with the facts and does not omit anything likely to affect the import of such information.

#### 2. THE COMPANY AND ITS SUBSIDIARIES

##### The Company

- 2.1 The Company was incorporated and registered in England and Wales on 16 August 2011 under the Companies Act 2006 (as amended) with registered number 07741649 as a public company limited by shares with the name 'TLA Worldwide plc'.
- 2.2 The Company's registered office is in England and Wales and its registered office is located at 6-8 Bouverie Street, London EC4Y 8DD, telephone number +44 (0) 20 7820 7051. The Company is domiciled in England. The Company's website is at [www.tlaww-plc.com](http://www.tlaww-plc.com).
- 2.3 The Company operates in the United States through its wholly-owned subsidiary The Legacy Agency, Inc. that, following Admission and completion of the Acquisitions, will maintain principal offices at 230 Park Avenue, Suite 851, New York, NY 10169, and 500 Newport Center Drive, Suite 800, Newport Beach, CA 92660.
- 2.4 The principal legislation under which the Company operates is the Companies Act 2006 and the regulations made thereunder. The Ordinary Shares have been created pursuant to the Companies Act 2006. The liability of the members of the Company is limited.
- 2.5 The Company is the holding company of the Group and will, directly or indirectly, own or hold the entire issued share capital in the following companies:

##### TLA Acquisitions Limited

- 2.5.1 TLA Acquisitions Limited is a private limited company incorporated and registered in England and Wales on 26 August 2011 under the Companies Act 2006 (as amended) with registered number 7754514. TLA Acquisitions Limited is a wholly-owned subsidiary of the Company.
- 2.5.2 TLA Acquisitions Limited's registered office and principal place of business is in England and Wales and its registered office is located at 6-8 Bouverie Street, London EC4Y 8DD, telephone number +44 (0) 20 7820 7051. TLA Acquisitions Limited is domiciled in England.

##### The Legacy Agency, Inc.

- 2.5.3 The Legacy Agency, Inc., which will be the Group's trading entity, was incorporated on 25 August 2011 under the laws of the state of Delaware, USA. The Legacy Agency, Inc. is a wholly-owned subsidiary of TLA Acquisitions Limited.
  - 2.5.4 The Legacy Agency, Inc.'s registered office in the state of Delaware is 160 Greentree Drive, Suite 100, Dover, DG 19904 and following Admission and completion of the Acquisitions, its principal place of business is in New York, NY at 230 Park Avenue, Suite 851, New York, NY 10169. The Legacy Agency, Inc. is domiciled in Delaware.
- 2.6 At the date of this Document, the Company has no other subsidiaries or associated undertakings.

### 3. THE DIRECTORS OF THE COMPANY AND THE SUBSIDIARIES

#### The Company

3.1 The full names of the Directors and their respective positions are as follows:

<i>Name</i>	<i>Function</i>	<i>Age</i>
Bart Taylor Colin Campbell	Non-Executive Chairman	40
Michael Jonathon Principe	CEO	41
Gregory Genske	Executive Director	39
Peter Robert Moore	Non-Executive Director	56
Keith John Sadler	Non-Executive Director	53

3.2 Following Admission and the completion of the Acquisitions, the business address of each of the Directors (other than Bart Campbell's and Keith Sadler's) will be 230 Park Avenue, Suite 851, New York, NY 10169. Mr Campbell's and Mr Sadler's business address will be 6-8 Bouverie Street, London EC4Y 8DD. Further details in relation to the Directors are set out in paragraphs 8 to 10 of this Part VII.

### 4. SHARE CAPITAL

#### The Company

4.1 The share capital of the Company on incorporation was 60,000 ordinary shares of £1.00 each, all of which were in issue and paid up as to one quarter. As at the date of this Document, all issued Ordinary Shares have been paid up in full.

4.2 There have been the following changes in the issued share capital of the Company since incorporation:

<i>Date of issue</i>	<i>Number of Ordinary Shares issued</i>	<i>Par Value (£)</i>	<i>Cumulative total (Number)</i>
16 August 2011 (Incorporation)	60,000	1.00	60,000
16 September 2011 (share capital sub-division)	Nil	0.02	3,000,000
2 December 2011	53,500	0.02	3,053,500
2 December 2011 (subscribed for at 25.296p per share)	1,027,255	0.02	4,080,755

4.3 As at the date of this Document, the issued share capital of the Company is as follows:

<i>Class of shares</i>	<i>Issued (fully paid)</i>	
	<i>Number</i>	<i>Par Value (£)</i>
Ordinary Shares	4,080,755	0.02

4.4 The issued share capital of the Company immediately following Admission will be as follows:

<i>Class of shares</i>	<i>Issued (fully paid)</i>	
	<i>Number</i>	<i>Par Value (£)</i>
Ordinary Shares	63,860,990	0.02

4.5 As at 1 December 2011 (being the latest practicable date prior to the date of this Document) the Company does not hold any Ordinary Shares in treasury or have any securities not representing share capital and no Ordinary Shares are held by or on behalf of the Company itself or by subsidiaries of the Company.

4.6 No Ordinary Shares currently in issue have a fixed date on which entitlement to a dividend (or interest thereon) arises or are subject to a time limit after which entitlement to a dividend lapses and there are no arrangements in force whereby future dividends are waived or have been agreed to be waived.

4.7 A summary of the main provisions of the Articles is set out at paragraph 5 of this Part VII.

- 4.8 Save as disclosed in this Document, none of the Company's existing Ordinary Shares is convertible, exchangeable or under option or warrant and the Company has, at the date of this Document, no intention to issue any further shares.
- 4.9 It is proposed that, under the terms of the Acquisitions, the Deferred Consideration Shares will be issued credited as fully paid.
- 4.10 All Ordinary Shares in the capital of the Company are registered, may be held in either certificated or uncertificated form and rank *pari passu* in all respects.
- 4.11 The Company and the Directors are not aware of any arrangements, the operation of which may at a subsequent date result in a change of control of the Company.
- 4.12 The percentage of immediate dilution of the shareholdings of the holders of the Ordinary Shares:
- 4.12.1 as at the date of this Document, who do not participate in the Placing, resulting from the issue of the New Ordinary Shares is (following Admission) 93.6 per cent.; and
- 4.12.2 following Admission, the Placing and the issue of the Deferred Consideration Shares, is 96.3 per cent.

## **5. ARTICLES OF ASSOCIATION OF THE COMPANY**

The Articles contain provisions, *inter alia*, to the following effect.

### **5.1 Objects**

The Articles contain no specific restrictions on the Company's objects and therefore, by virtue of section 31(1) of the Companies Act 2006, the Company's objects are unlimited.

### **5.2 Allotment of shares**

Subject to the provisions of the Companies Act 2006 (and any other regulation affecting the Company) regarding pre-emption rights and any resolution of the Company relating thereto or relating to any authority to allot relevant securities, all of the shares of the Company for the time being unissued shall be under the control of the Directors who may generally and unconditionally allot (with or without conferring a right of renunciation), grant options over, offer or otherwise deal with or dispose of the same to or in favour of such persons, on such terms and conditions, at a premium or at par and at such times as the Directors think fit.

### **5.3 Share rights**

Subject to the provisions of the Companies Act 2006 (and any other regulation affecting the Company), any new shares in the capital of the Company may be allotted with such preferential right to dividend and such priority in the distribution of assets or subject to such postponement of dividends or in the distribution of assets and with or subject to such preferential or limited or qualified right of voting at general meetings as the Company may from time to time by ordinary resolution determine or, if no such determination be made, as the Directors shall determine, but so that the rights attached to any shares as a class shall not be varied except with the consent of the holders thereof duly given under the provisions of the Articles.

### **5.4 Voting rights**

Subject to any special terms as to voting upon which any shares may have been issued or may for the time being be held or a suspension or abrogation of voting rights pursuant to the Articles, every member present in person, by a duly authorised corporate representative or by proxy shall, upon a show of hands, have one vote and every member so present shall, upon a poll, have one vote for every share of which he is a holder or, in the case of a corporate representative or proxy, every share in respect of which the relevant member has appointed him to act as his corporate representative or proxy. A proxy need not be a member of the Company.

## 5.5 Variation of rights

Subject to the provisions of the Companies Act 2006 (and any other regulation affecting the Company), if at any time the capital of the Company is divided into different classes of shares all or any of the rights or privileges attached to any class may be varied or abrogated (a) in such manner (if any) as may be provided by such rights or (b) in the absence of any such provision, either with the consent in writing of the holders of at least seventy-five per cent. of the nominal amount of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class. At every such separate general meeting the quorum shall be two persons at least present holding or representing by proxy at least one-third in nominal value of the issued shares of the class and, at an adjourned meeting, one person holding shares of the class in question present in person or his proxy.

## 5.6 Alteration of share capital

5.6.1 Subject to the Companies Act 2006 (and any other regulation affecting the Company) and the rights attaching to existing shares, the Company may by ordinary resolution increase its share capital, consolidate and divide all or any of its share capital or purchase its own shares (including redeemable shares).

5.6.2 The Company may by special resolution create shares which are, or at the option of the Company or the holder are to be liable, to be redeemed, subject to and in accordance with the provisions of the Companies Act 2006 (and any other regulation affecting the Company). The special resolution creating any such shares shall also make such alterations to the Articles as may be necessary to specify the terms on which, the rate at which and the manner in which any such shares shall be redeemed.

## 5.7 Transfer of shares

5.7.1 A member may transfer all or any of his shares (a) in the case of certificated shares, by transfer in writing in any usual or common form or in any other form acceptable to the Directors and (b) in the case of uncertificated shares, in accordance with and subject to the CREST Regulations and the facilities and requirements of the relevant system concerned. The instrument of transfer of a certificated share shall be signed by or on behalf of the transferor and, if not fully paid, by or on behalf of the transferee.

5.7.2 The Directors may, in their absolute discretion (but subject to any rules or regulations of the London Stock Exchange, any rules published by the Financial Services Authority applicable to the Company from time to time and section 771(2) of the Companies Act 2006), refuse to register any transfer of shares:

- (a) unless the transfer is (i) in respect of a fully paid share, (ii) in respect of a share which does not have a lien, (iii) in respect of only one class of shares, (iv) in favour of a single transferee or not more than four joint holders as transferees, (v) is duly stamped or shown to be exempt from stamping and (vi) accompanied by the certificate(s) of title for the shares to which it relates or other evidence of title required by the Directors;
- (b) in respect of a transfer of uncertificated shares in such other circumstances (if any) as may be permitted by the CREST Regulations and the requirements of the relevant system concerned;
- (c) where the transfer relates to shares which are the subject of such a notice as described in paragraph 5.11.1 (and in respect of which the required information has not been received by the Company), provided that the provision set out in this paragraph 5.7.2(c) shall not apply in respect of a transfer which is a 'Permitted Sale' (as defined in paragraph 5.11.2 or a transfer of shares by a transferor whose holding of shares immediately prior to the proposed transfer represents less than 0.25 per cent. of the shares of the relevant class.

5.7.3 The Directors must provide the transferee with a notice of refusal within two months of the date on which the transfer was lodged.

## 5.8 **Minority shareholder protection**

5.8.1 At any time when the Company is not subject to the City Code or any successor regime (whether statutory or non-statutory) governing the conduct of takeovers and mergers in the UK, the following provisions of the Articles, set out in paragraphs 5.8 and 5.9, shall have effect.

5.8.2 A person must not, in circumstances in which that person would thereby effect, or purport to effect, a Prohibited Acquisition (as defined below):

- (a) acting by himself or with persons determined by the Directors to be acting in concert seek to acquire shares (whether by a series of transactions over a period of time or otherwise), which carry 30 per cent. or more of the voting rights attributable to the shares in the capital of the Company; or
- (ii) acting by himself or with persons determined by the Directors to be acting in concert, hold not less than 30 per cent. but not more than 50 per cent. of the voting rights attributable to the shares in the capital of the Company and seek to acquire, by himself or with persons determined by the Directors to be acting in concert, additional shares which, taken together with the shares held by the persons determined by the Directors to be acting in concert with him, increase his voting rights,

except as a result of a Permitted Acquisition.

5.8.3 An acquisition is a “**Permitted Acquisition**” if:

- (a) the Directors consent to the acquisition (even if, in the absence of such consent, the acquisition would be a Prohibited Acquisition (as defined below));
- (b) the acquisition is made in circumstances in which the City Code, if it applied to the Company, would require an offer to be made in accordance with rule 9 of the City Code as if it so applied, and such offer is made and not subsequently withdrawn;
- (c) the acquisition arises from the repayment of a stock borrowing arrangement (on arms’ length commercial terms); or
- (d) as a consequence of the Company redeeming or purchasing its own shares, there is a resulting increase in the percentage of the voting rights attributable to the shares held by a person or persons determined by the Directors to be acting in concert and such an increase would constitute a breach of the limits set out in provision of the Articles.

5.8.4 An acquisition is a “**Prohibited Acquisition**” if rules 4, 5, 6 or 8 of the City Code would, in whole or in part, apply to the acquisition if the Company were subject to the City Code and the acquisition were made (or if not yet made, would if and when made be) in breach of or would otherwise not comply with rules 4, 5, 6 or 8 of the City Code.

## 5.9 **Power to sell Excess Shares and implement the City Code**

5.9.1 Where the Directors have reason to believe that any acquisition has taken place in contravention of the above provision of the Articles, the Directors may do all or any of the following:

- (a) require any member or persons appearing or purporting to be interested in any shares in the Company to provide such information as the Directors consider appropriate to determine any of the matters set out in this provision of the Articles, including without limitation the issue of a Statutory Notice (as defined at paragraph 5.11 below);

- (b) have regard to such public filings as it considers appropriate to determine any of the matters the provision of the Articles set out above at paragraph 5.8;
- (c) make such determinations under this provision of the Articles and the one set out at paragraph 5.8 above as they think fit;
- (d) determine that some or all of the shares held by such members which carry more than 30 per cent. of the voting rights attributable to the shares in the Company (“**Excess Shares**”) must be sold;
- (e) determine that some or all of the Excess Shares will not carry any voting right or right to any dividends or other distributions from a particular time for a definite or indefinite period; or
- (f) take such other action as they think fit for the purposes of this provision of the Articles or the one set out at paragraph 5.8 above, including:
  - (i) prescribing rules (not inconsistent with these Articles);
  - (ii) setting deadlines for the provision of information;
  - (iii) drawing adverse inferences where information requested is not provided;
  - (iv) making final or interim determinations;
  - (v) executing documents on behalf of a member;
  - (vi) converting any Excess Shares held in uncertificated form into certificated form or *vice versa*;
  - (vii) paying costs and expenses out of proceeds of sale; and
  - (viii) changing any decision or determination or rule previously made.

5.9.2 The Directors have full authority to determine the application of this provision of the Articles and the one set out at paragraph 5.8 above, including as to the deemed application of the whole or any part of the City Code. Such authority shall include all discretion that vested in the Takeover Panel as if the whole or any part of the City Code applied including, without limitation, the determination of conditions and consents, the consideration to be offered and any restrictions on the exercise of control. Any resolution or determination of, or decision or exercise of any discretion or power by, the Board or any Director or by the chairman of any meeting acting in good faith under or pursuant to this provision of the Articles or the one set out at paragraph 5.8 above shall be conclusive and binding on all persons concerned and shall not be open to challenge, whether as to its validity or otherwise, on any ground whatsoever. The Directors shall not be required to give any reasons for any decision, determination or declaration taken or made in accordance with this provision of the Articles or the one set out at paragraph 5.8 above.

5.9.3 Any one or more of the Directors may act as the attorney of any member in relation to the execution of documents and other actions to be taken for the sale of Excess Shares.

## 5.10 Dividends

5.10.1 Subject to the Articles and the Companies Act 2006 (and any other regulation affecting the Company), the Company may by ordinary resolution in general meeting declare a dividend to be paid to the members according to their respective rights and interests in profits but no larger dividend shall be declared than is recommended by the Directors. The Directors may from time to time pay such interim dividends as appear to the Directors to be justified.

- 5.10.2 Subject to the rights of persons, if any, entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is paid but no amount paid up on a share in advance of call shall be treated for the purpose of the payment of a dividend as paid up on a share. Subject to the aforesaid, all dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid. If any share carries any particular rights as to dividends, such share shall rank for dividend accordingly. No dividends payable in respect of a share shall bear interest unless otherwise provide by the rights attached to the share.
- 5.10.3 All dividends or other sums payable on or in respect of a share unclaimed for one year after having been declared may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed. All dividends unclaimed for a period of twelve years from the date they became due for payment shall be forfeited and shall revert to the Company absolutely.
- 5.10.4 With the sanction of an ordinary resolution of the Company in general meeting, any dividend may be paid and satisfied either wholly or in part by the distribution of specific assets (including, without limitation, paid up shares) and the Directors shall give effect to any such resolution, provided that no such distribution shall be made unless recommended by the Directors.

## 5.11 Suspension of rights

- 5.11.1 No member shall, unless the Directors otherwise determine, be entitled to be present or to vote, either in person or by proxy, at any general meeting or at a separate meeting of the holders of any class of shares or to exercise any privilege as a member in relation to meeting of the Company in respect of any shares held by him ("**Relevant Shares**") if either (a) any calls or other moneys due or payable in respect of the Relevant Shares remain unpaid or (b) he or any other person appearing to be interested in Relevant Shares ("**Other Person**") has been duly served, pursuant to any provision of the Companies Act 2006 (and any other regulation affecting the Company) concerning the disclosure of interests in voting shares, with a notice ("**Statutory Notice**") lawfully requiring the provision to the Company (within such period (not being less than fourteen days) after service of the Statutory Notice as is specified in such notice) of information regarding any such Relevant Shares and he or such Other Person is in default of complying with the Statutory Notice.
- 5.11.2 The prohibitions set out in paragraph 5.11.1 on attendance and voting at any general meeting and on exercising any privilege as a member in relation to meetings of the Company in respect of shares held by him shall cease to apply in respect of the circumstances described in paragraph 5.11.1(b) upon the expiry of seven days after the earlier of (a) receipt by the Company of notification that the Relevant Shares have been transferred pursuant to a Permitted Sale and (b) due compliance, to the Company's satisfaction, with the Statutory Notice. For these purposes, "**Permitted Sale**" means a sale of the Relevant Shares to a bona fide third party who is not connected with the member concerned or any Other Person, being a sale which is effected through the London Stock Exchange, through an overseas investment exchange (as defined in section 313 of FSMA) or by acceptance of a takeover offer (as defined in section 974 of the Companies Act 2006).

## 5.12 Return of capital

Subject to the provisions of the Companies Act 2006 and any other regulation affecting the Company and any special rights attached to any class of shares, on a winding-up or other return of capital the holders of shares shall be entitled to share in any surplus assets pro rata to the amount paid up on their shares. A liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Companies Act 2006, divide amongst the members in specie or in kind the whole or any part of the assets of the Company, those assets to be set at such value as he deems fair.

### 5.13 Pre-emption rights

There are no rights of pre-emption under the Articles in respect of the transfers of issued shares. In certain circumstances, the Company's shareholders may have statutory pre-emption rights under the Companies Act 2006 in respect of the allotment of new shares in the Company. These statutory pre-emption rights would require the Company to offer new shares for allotment to existing shareholders on a pro-rata basis before allotting them to other persons. In such circumstances, the procedure for the exercise of such statutory pre-emption rights would be set out in the documentation by which such shares would be offered to the Company's shareholders.

### 5.14 Shareholder meetings

5.14.1 A general meeting shall be held in every year as the annual general meeting of the Company at such time (within a period of not more than six months beginning with the day following the Company's accounting reference date) and place as may be determined by the Directors. Such a general meeting shall be called annual general meeting and any other general meeting shall be called general meeting. The Directors may call a general meeting whenever they think fit and shall, in any event, do so when and in the manner required by the Companies Act 2006.

5.14.2 Annual general meetings shall be called at not less than twenty one days' notice in writing, exclusive of the day on which it is served or deemed to be served and of the day for which it is given and shall specify the place, day and hour of the meeting and, in the case of special business, the general nature of such business, and all other general meetings shall (subject to the provision of the Companies Act 2006 (and any other regulation affecting the Company)) be called by not less than fourteen days' notice in writing (or such shorter period as the Companies Act 2006 permits), exclusive of the day on which it is served or deemed to be served and of the day for which it is given. The notice shall be given to the members (other than those who, under the provisions of the Articles or the terms of issue of the shares they hold, are not entitled to receive notice from the Company) and to the Directors and the Company's auditors.

5.14.3 In every notice calling a meeting of the Company or of any class of members of the Company there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint one or more proxies to attend, speak and vote instead of him and that proxy need not also be a member.

5.14.4 Two members present in person or by proxy or duly authorised corporate representative and entitled to vote shall constitute a quorum for all purposes. If no quorum is present within thirty minutes from the time appointed for the meeting then, if convened by or upon requisition of members, the meeting shall be dissolved but, in any other case, it shall be adjourned to such day and such time and place as the chairman (or, in default, the Board) shall appoint. At any such adjourned meeting, the member or members present in person, by proxy or duly authorised corporate representative to vote shall constitute a quorum.

5.14.5 In the case of an equality of votes, the chairman shall, both on a show of hands and on a poll have a casting vote in addition to the votes to which he may be entitled as a member.

### 5.15 Directors

5.15.1 Unless and until otherwise determined by the Company in general meeting, the number of Directors shall not be less than two and there shall be no limit on the number of Directors. Two Directors present in person or by an alternate shall constitute a quorum (unless determined otherwise).

5.15.2 The Directors may regulate their meetings as they think fit and questions arising at any meeting of the Directors shall be determined by a majority of votes and, in the case of an equality of votes, the chairman shall have a second or casting vote.

- 5.15.3 At each annual general meeting one-third of the Directors who are subject to retirement by rotation and in office at the opening of business on the date of the notice calling the relevant annual general meeting or, if their number is not three or a multiple of three, then the number nearest to but not exceeding one-third, or if their number is less than three, then one of them, shall retire from office. A Director retiring at a meeting shall retain office until the dissolution of such meeting. The Directors to retire at each annual general meeting shall include such of the Directors referred to above who wish to retire and not offer themselves for re-election (if any) together with, to the extent that the number of such Directors is insufficient to meet the number required to retire above, such of the Directors who have been longest in office as are necessary to meet such number. As between two or more who have been in office an equal length of time, the Director(s) to retire shall (in default of agreement between them) be determined by lot. The length of time a Director has been in office shall be computed from his last election, re-election or appointment when he has previously vacated office. A retiring Director shall be eligible for re-election.
- 5.15.4 There shall be paid out of the funds of the Company by way of remuneration of Directors who are not managing or executive Directors fees at such rates as the Directors may from time to time determine, provided that such fees do not, in aggregate, exceed £150,000 per annum or such other figure as the Company may in general meeting from time to time determine. The Directors (including alternate Directors) shall be entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by them.
- 5.15.5 A Director shall not be required to hold any shares in the Company by way of qualification. A Director who is not a member of the Company shall be entitled to receive notice of and attend and speak at all general meetings of the Company and at all separate general meetings of the holders of any class of shares in the capital of the Company.
- 5.15.6 Subject to the provisions of the Companies Act 2006 (and any other regulation affecting the Company), the Directors may, from time to time, appoint one or more of their body to be executive chairman or chief executive or joint chief executive, managing Director or joint managing Director of the Company or any one or more of such offices or to hold such other executive office in relation to the management of the business of the Company as they may decide. There shall be paid out of the funds of the Company by way of remuneration of Directors who are managing or executive Directors fees at such rates as the Directors may from time to time determine.
- 5.15.7 The business of the Company shall be managed by the Directors who, in addition to the powers and authorities granted by the Articles or otherwise expressly conferred upon them, may exercise all such powers and do all such acts and things as may be exercised or done by the Company and as are not by the Companies Act 2006 (and any other regulation affecting the Company) or the Articles required to be exercised or done by the Company in general meeting.
- 5.15.8 The Directors shall have the power to authorise, by a resolution of the Directors passed in accordance with the Articles, any matter which would or might otherwise constitute or give rise to a breach of the duty of a Director to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company.
- 5.15.9 Authorisation of a matter shall be effective only if (i) the matter in question shall have been proposed in writing for consideration at a meeting of the Directors, in accordance with the Board's normal procedures or in such other manner as the Directors may determine, (ii) any requirement as to the quorum at the meeting of the Directors at which the matter is considered is met without counting the Director in question and any other interested director (together the "**Interested Directors**") and (iii) the matter was agreed to without the Interested Directors voting or would have been agreed to if the votes of the Interested Directors had not been counted.

- 5.15.10 Any authorisation of a matter shall be subject to such conditions or limitations as the Directors may determine and may be terminated by the Directors (by a resolution of the Directors (other than any Interested Directors)) passed in accordance with these Articles at any time.
- 5.15.11 Subject to declaring the nature and extent of his interest, a Director may have an interest of the following kind (and no authorisation under the Articles shall be necessary):
- (a) where a Director (or a person connected with him) is a director or other officer of, or employed by, or otherwise interested (including by the holding of shares) in any Relevant Company (a “**Relevant Company**” being the Company, a subsidiary undertaking of the Company, any holding company of the Company or a subsidiary undertaking of any such holding company, any body corporate promoted by the Company or any body corporate in which the Company or its holding company is otherwise interested);
  - (b) where a Director (or a person connected with him) is a party to, or otherwise interested in, any contract, transaction, arrangement or proposal with a Relevant Company, or in which the Company is otherwise interested;
  - (c) where the Director (or a person connected with him) acts (or any firm of which he is a partner, employee or member acts) in a professional capacity for any Relevant Company (other than as auditor) whether or not he or it is remunerated therefor;
  - (d) an interest which cannot reasonably be regarded as likely to give rise to a conflict of interest;
  - (e) an interest, or a transaction, arrangement or proposal giving rise to an interest, of which the Director is not aware;
  - (f) any matter already authorised under the Articles; or
  - (g) any other interest authorised by ordinary resolution of the Company’s members.
- 5.15.12 A Director shall declare the nature and extent of any interest permitted under the Articles at a meeting of the Directors, by written declaration to the Company or in such other manner as the Directors may determine.
- 5.15.13 A Director shall not be entitled to vote on any resolution in respect of any contract, transaction, arrangement or proposal, in which he (or a person connected with him) is interested. Any vote of a Director in respect of a matter where he is not entitled to vote shall be disregarded. A Director shall not be counted in the quorum for a meeting of the Directors in relation to any resolution on which he is not entitled to vote.
- 5.15.14 Subject to the provisions of the Companies Act 2006 (and any other regulations relating to the Company), a Director shall (in the absence of some other interest than is set out below) be entitled to vote, and be counted in the quorum, in respect of any resolution concerning any contract, transaction, arrangement or proposal:
- (a) in which he has an interest of which he is not aware;
  - (b) in which he has an interest which cannot reasonably be regarded as likely to give rise to a conflict of interest;
  - (c) in which he has an interest only by virtue of interests in shares, debentures or other securities of the Company, or by reason of any other interest in or through the Company;
  - (d) which involves the giving of any security, guarantee or indemnity to the Director or any other person in respect of (i) money lent or obligations incurred by him or by any other person at the request of or for the benefit of the Company or any of its subsidiary undertakings or (ii) a debt or other obligation of the Company or any of its subsidiary

undertakings for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;

- (e) concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiary undertakings (i) in which offer he is or may be entitled to participate as a holder of securities or (ii) in the underwriting or sub-underwriting of which he is to participate;
- (f) concerning any other body corporate in which he is interested, directly or indirectly and whether as an officer, shareholder, creditor, employee or otherwise, provided that he (together with persons connected with him) is not the holder of, or beneficially interested in, one per cent. or more of the issued equity share capital of any class of such body corporate or of the voting rights available to members of the relevant body corporate;
- (g) relating to an arrangement for the benefit of the employees or former employees of the Company or any of its subsidiary undertakings which does not award him any privilege or benefit not generally awarded to the employees or former employees to whom such arrangement relates;
- (h) concerning the purchase or maintenance by the Company of insurance for any liability for the benefit of Directors or for the benefit of persons who include Directors;
- (i) concerning the giving of indemnities in favour of Directors;
- (j) concerning the funding of expenditure by any Director(s) on (i) defending criminal, civil or regulatory proceedings or actions against him or them, (ii) in connection with an application to the court for relief or (iii) defending him or them in any regulatory investigations;
- (k) concerning the doing of anything to enable any Director(s) to avoid incurring expenditure as described immediately above; and
- (l) in respect of which his interest, or the interest of Directors generally, has been authorised by ordinary resolution of the Company's members.

5.15.15 Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to offices or employments with the Company (or any body corporate in which the Company is interested), the proposals may be divided and considered in relation to each Director separately. In such case, each of the Directors concerned shall be entitled to vote and be counted in the quorum, in respect of each resolution except that concerning his own appointment or the fixing or variation of the terms thereof.

5.15.16 If a question arises at any time as to whether any interest of a Director prevents him from voting, or being counted in the quorum and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting and his ruling in relation to any Director other than himself shall be final and conclusive, except in a case where the nature or extent of the interest of such Director has not been fairly disclosed. If any such question shall arise in respect of the chairman of the meeting, the question shall be decided by resolution of the Directors and the resolution shall be conclusive except in a case where the nature or extent of the interest of the chairman of the meeting (so far as it is known to him) has not been fairly disclosed to the Directors.

5.15.17 The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property, assets both present and future and uncalled capital, or any part thereof, and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or its parent undertaking (if any) or any subsidiary undertaking of the Company or of any third party.

5.15.18 The Directors may exercise all powers of the Company to borrow or raise money upon or by the issue or sale of any bonds, debentures or securities and upon such terms as to time of repayment, rate of interest, price of issue or sale, payment of premium or bonus upon redemption or repayment or otherwise as they may think proper, including the right for the holders of bonds, debentures or securities to exchange the same for shares in the Company or any class authorised to be issued.

#### 5.16 Indemnity

A relevant Director (being any Director or former director of the Company) shall be indemnified out of the Company's assets against any liability (other than a liability to the Company or an associated company) which that Director incurs in connection with (i) civil proceedings in relation to the Company or an associated company (other than a liability incurred in defending proceedings brought by the Company or an associated company in which final judgment is given against the Director), (ii) criminal proceedings in relation to the Company or an associated company (other than a fine imposed in such proceedings, or a liability incurred in defending proceedings in which the Director is convicted and the conviction is final), (iii) regulatory action taken by or a regulatory investigation by a regulatory authority in relation to the Company or an associated company (unless a sum is payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature (however arising)) or (iv) any application for relief (a) under section 661(3) or (4) of the Companies Act 2006 ('acquisition of shares by innocent nominee') or (b) section 1157 of the Companies Act 2006 ('general power to grant relief in case of honest and reasonable conduct'), unless the court refuses to grant the Director relief, and the refusal of relief is final.

#### 6. DTR

The provisions of DTR 5 will apply to the Company and its Shareholders with effect from Admission. DTR 5 sets out the notification requirements for Shareholders and the Company where the voting rights of a Shareholder exceed, reach or fall below the threshold of three per cent. and each one per cent. thereafter up to 100 per cent. DTR 5 provides that disclosure by a Shareholder to the Company must be made within two trading days of the event giving rise to the notification requirement and, by virtue of the AIM Rules for Companies, the Company must release details to a regulatory information service without delay following receipt of a notification.

#### 7. CREST

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument. The Ordinary Shares will be made eligible for settlement in CREST in accordance with the CREST Regulations.

#### 8. ADDITIONAL INFORMATION ON THE DIRECTORS

8.1 In addition to directorships of the Company and members of its Group, the table below states the names of all companies and partnerships of which the Directors have been a director or partner at any time within the five years immediately preceding the date of this Document:

<i>Name</i>	<i>Current directorships/partnerships</i>	<i>Past directorships/partnerships</i>
Michael Principe	Left Field Sports, LLC Left Field Management Services, LLC	Blackwave Sports Group, LLC Blackwave Sports Investment Company, LLC Blue Entertainment Group, LLC Blue Entertainment Sports & Television, IP, LLC Dynasty Sports Group, LLC (California) Dynasty Sports Group, LLC (Florida)

<i>Name</i>	<i>Current directorships/partnerships</i>	<i>Past directorships/partnerships</i>
Michael Principe (continued)		Game Seven Sports Media, LLC Sports Investment Company, LLC Sports Media Advisors, LLC Team Championships International, LLC Tennis Advisors, LLC Worldwide Football, LLC
Greg Genske	LS Legacy Sports Group, LLC	
Bart Campbell	Accelerate Sport and Music Ltd Arundel Promotions Limited Athletes1 Limited Athletes1 Sports Limited Bilsdale Service Company Limited Essentially Athlete Management Limited Essentially Sports Marketing Limited Player Support Services Limited Sportseen Limited	Fight for Life Limited Frontiers Group Limited Pacific Contracts Limited Essentially Group Limited Essentially Professional Services Limited Global Sports Management Limited
Peter Moore		Timberland Corp.
Keith Sadler	Alphanumeric Group Holdings Limited Alphanumeric (Holdings) Limited Alphanumeric Limited Creating a Line Media Limited DIG for Fire Limited Digital Marketing Group plc Digital Marketing Group Services Limited Gasbox Limited Graphic New Media Limited HSM Ltd Hyperlaunch New Media Limited Inbox Media Ltd ISIS Direct Limited Jaywing Central Limited Jaywing Information Limited Jaywing Limited Junction Brand Communications Ltd Prodant Limited Scope Creative Marketing Limited Weare 20:20 Limited 20:20 Agency Limited 20:20 Connect Limited 20:20 Dialogue Limited 20:20 London Limited 2020DMG Limited 20:20 Media & Analytics Ltd 20:20 Network Limited 20:20 Technology Limited	SPG Media Group Limited

- 8.2 None of the Directors has been a director of a company or a partner in a partnership which has been placed in receivership, administration or insolvent liquidation (including a company or partnership voluntary arrangement) whilst he was a director of that company or a partner in that partnership or during the 12 months preceding such events.
- 8.3 None of the Directors (i) has any unspent convictions, (ii) is or has been bankrupt or made any voluntary arrangement, (iii) has been the subject of public criticism by a statutory or regulatory authority (including recognised professional bodies) or (iv) has been disqualified by a court from acting as a director of any company or from acting in the management or conduct of the affairs of any company.
- 8.4 Greg Genske is a director and founder member of Legacy and a party to the Legacy Agreement, further details of which are set out in paragraph 13.1 of this Part VII. Save for Greg Genske in relation to the Legacy Acquisition, there are no potential conflicts of interest between any duties to the Company and their private interests and/or other duties in relation to the Directors.
- 8.5 No Director or member of a Director's family has a related financial product referenced to the Ordinary Shares.

## **9. DIRECTORS' SERVICE AGREEMENTS AND LETTERS OF APPOINTMENT OF THE GROUP**

- 9.1 The following service agreements and letters of appointment have been entered into between the Directors and the Company:
- 9.1.1 a letter of appointment dated 16 September 2011, pursuant to which Bart Campbell is appointed as non-executive chairman of the Company on a rolling one-year basis at an annual fee conditional upon Admission of £35,000 plus an additional £10,000 for Mr Campbell's services on the remuneration and audit committees (exclusive of VAT). This agreement is terminable on 12 months' notice by either party.
- 9.1.2 a letter of appointment dated 18 July 2011, pursuant to which Keith Sadler is appointed as non-executive director of the Company on a rolling one-year basis at an annual fee conditional upon Admission of £30,000 plus an additional £10,000 for Mr Sadler's services on the remuneration and audit committees (exclusive of VAT). This agreement is terminable on six months' notice by either party.
- 9.1.3 a letter of appointment dated 6 July 2011, pursuant to which Peter Moore is appointed as non-executive director of the Company on a rolling one-year basis at an annual fee conditional upon Admission of £30,000 plus an additional £10,000 for Mr Moore's services on the remuneration and audit committees (exclusive of VAT). This agreement is terminable on six months' notice by either party.
- 9.1.4 a letter of appointment dated 2 December 2011, pursuant to which Mike Principe is appointed as CEO and as director of the Company on a rolling one-year basis. The terms of Mr Principe's service agreement with The Legacy Agency, Inc. are set out at paragraph 9.2.2 of this Part VII. No remuneration is payable by the Company. If Mr Principe ceases to be employed pursuant to his service agreement with The Legacy Agency, Inc., his appointment to the Company's board will terminate.
- 9.1.5 a letter of appointment dated 2 December 2011, pursuant to which Greg Genske is appointed as an executive director of the Company on a rolling one-year basis. The terms of Mr Genske's service agreement with The Legacy Agency, Inc. are set out at paragraph 9.2.1 of this Part VII. No remuneration is payable by the Company. If Mr Genske ceases to be employed pursuant to his service agreement with The Legacy Agency, Inc., his appointment to the Company's board will terminate.

- 9.2 The following contracts of employment have been entered into by companies in the Group with persons who the Directors consider to be key to the Group's business operations.
- 9.2.1 Subject to completion of the Legacy Agreement and the Agency Agreement, the Agency Members and the Legacy Members (including Greg Genske) (each an "Executive") will enter into an employment agreement for a period of five years with The Legacy Agency, Inc.. Each agreement will be terminable at will by either party and will provide each Executive with a contracted base salary of up to \$300,000 and other benefits commensurate with such employment. Each Executive will be subject to non-solicitation and non-compete covenants for certain periods, provided that such covenants will terminate on the occurrence of certain events, including non-payment of salary.
- 9.2.2 The Legacy Agency, Inc. will enter into an employment agreement for a period of 5 years with Michael Principe, pursuant to which, subject to Admission, Mr Principe has agreed to act as The Legacy Agency, Inc.'s president and chief executive officer. The agreement will provide Mr Principe with a base salary of \$300,000 per annum and other benefits commensurate with his employment, including contracted severance payments and specified benefits continuation if Mr Principe's employment is terminated by The Legacy Agency, Inc. without cause or if he resigns for good reason. Mr Principe will be subject to certain restrictive covenants for contracted periods.
- 9.3 The Company entered into an agreement with ISIS EP LLP ("ISIS") on 18 November 2011 pursuant to which ISIS is entitled, for as long as it is the holder of a minimum of 5 per cent. of the Ordinary Shares in issue from time to time (whether these are held on its own behalf or on behalf of any of its clients), to appoint one director to the board of directors of the Company. The director appointed by ISIS shall, at the request of the Company, enter into a letter of appointment with the Company that shall be in the same format as that entered into by the Company's non-executive directors.

## 10. DIRECTORS' SHAREHOLDINGS AND OTHER INTERESTS

- 10.1 On completion of the Placing and Admission, the number of shares held by the Directors (all of which are held beneficially except as shown below) in the existing share capital of the Company and (so far as is known to the Directors, having made appropriate enquiries) persons connected with them (which expression shall be construed in accordance with sections 252 to 254 of the Companies Act 2006) will be as follows:

<i>Name</i>	<i>per cent. of</i>			
	<i>Number of Ordinary Shares</i>		<i>Issued</i>	<i>Enlarged</i>
	<i>as at the date</i>	<i>immediately</i>	<i>as at the date</i>	<i>Share Capital</i>
	<i>of this</i>	<i>following</i>	<i>of this</i>	<i>immediately</i>
	<i>Document</i>	<i>Admission</i>	<i>Document</i>	<i>following</i>
			<i>Admission</i>	
Michael Principe	2,040,378	2,040,378	50%	1.83%
Greg Genske*	Nil	12,001,424	Nil	10.79%
Bart Campbell	1,020,189	1,020,189	25%	0.92%
Peter Moore	Nil	Nil	Nil	Nil
Keith Sadler	Nil	Nil	Nil	Nil
	<u>Total: 3,060,567</u>	<u>Total: 15,061,991</u>	<u>Total: 75%</u>	<u>Total: 13.54%</u>

\* Mr Genske is interested in these Ordinary Shares by virtue of his being a Legacy Member. These Ordinary Shares, being the Legacy Deferred Consideration Shares, will be issued to Legacy pursuant to the terms of the Legacy Agreement on the second anniversary of completion of the Legacy Agreement.

- 10.2 Save as disclosed in this Document, none of the Directors has any interest, direct or indirect, in any assets which have been or are proposed to be acquired or disposed of by, or leased to, the Company and no contract or arrangement exists in which a Director is materially interested and which is significant in relation to the business of the Group.

10.3 Save as disclosed in this Document, there are no outstanding loans granted by the Company to any of the Directors, nor are there any guarantees provided by the Company for their benefit and none of the Directors has any interest, whether direct or indirect, in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company taken as a whole and which was effected by the Company since its incorporation and which remains in any respect outstanding or unperformed.

## 11. RELATED PARTY TRANSACTIONS

11.1 Save as disclosed in Note 23 of Part IV, Section B, Note 19 of Part V, Section B and paragraphs 11.2 and 11.3 of this Part VII, there are no material ‘related party transactions’ required to be disclosed under the accounting standards applicable to the Company, to which the Company was a party during the period of 12 months preceding this Document.

11.2 Greg Genske, a Director and Legacy Member and a party to the Legacy Agreement, has, in contemplation of the acquisition of Legacy’s business, joined the Company’s board.

11.3 The Company has agreed to pay Left Field Management Services LLC (“LFMS”) a fee of \$90,000 for services and associated costs and expenses provided by LFMS in connection with the Placing and Admission. LFMS is a company in which Mike Principe is directly interested and Bart Campbell and Dwight Mighty are indirectly interested.

## 12. SIGNIFICANT SHAREHOLDINGS

12.1 Save as set out below, as at the date of this Document, the Company has not been notified of any holding which will, following Admission and completion of the Placing, represent three per cent. or more of the issued share capital of the Company:

<i>Name</i>	<i>Number of Ordinary Shares</i>	<i>per cent. of issued Ordinary Shares (%)</i>	<i>per cent. of Enlarged Share Capital (%)</i>
Strand Associates Limited	11,375,000	17.8	10.2
Cenkos Securities plc	3,133,618	4.9	2.8
Amati Global Investments	6,056,000	9.5	5.4
F&C Investments	4,750,000	7.4	4.3
Hargreave Hale	2,250,000	3.5	2.0
ISIS Equity Partners	15,500,000	24.3	13.9
Octopus Investments	10,000,000	15.7	9.0
Rathbone Investment Management	2,226,000	3.5	2.0
Legal and General Investment Management	2,000,000	3.1	1.8

12.2 None of the Company’s major Shareholders has, or will following Admission have, any different voting rights and the Directors are not aware of any arrangement which may, at a subsequent date, result in a change of control of the Company.

12.3 As at 1 December 2011 (being the latest practicable date prior to publication of this Document) and save as disclosed in paragraph 12.1 above, the Directors are not aware of any person or persons who, directly or indirectly, jointly or severally, own or exercise or could own or exercise control over the Company.

## 13. MATERIAL CONTRACTS

The following are all the contracts (not being contracts entered into in the ordinary course of business) that have been entered into by the companies within the Group (i) within the two years immediately preceding the date of this Document and which are, or may be, material to the Group or (ii) at any time containing obligations or entitlements which are, or may be, material to the Group as at the date of this Document:

## **The Acquisitions**

### **13.1 The Legacy Acquisition**

13.1.1 The Legacy Agreement has been entered into pursuant to which Legacy has conditionally agreed to sell certain business and assets and TLA Acquisitions Limited has agreed to purchase that business and those assets. Under the terms of the Legacy Agreement, the consideration to be paid for the Legacy business and assets consists of:

- (a) \$20.5 million, subject to a working capital adjustment, in cash payable on completion of the acquisition;
- (b) \$7.0 million to be satisfied by the issue of 22,317,159 new Ordinary Shares, which are to be issued to Legacy on the second anniversary of the completion of the acquisition;
- (c) \$3.5 million to be satisfied by the issue of 11,158,579 new Ordinary Shares (the “Legacy Deferred Shares”) which are to be issued on the second anniversary of the completion of the Acquisitions. If dividends are declared and paid prior to the second anniversary, Legacy will be entitled to receive a payment equal to the dividends that it would have received if it were record owner of the Legacy Deferred Shares as of the time of such dividends. The Company will use its reasonable best efforts to satisfy the obligation to issue the Legacy Deferred Shares by placing 11,158,579 new Ordinary Shares and delivering the net proceeds from such placing to Legacy; and
- (d) up to \$8.0 million, payable in five earn-out payments of up to \$1.6 million each, payable in cash following the end of each of the five years following completion of the acquisition, contingent upon the achievement by the Legacy business of certain EBITDA targets in each year. These earn-out payments can also be earned if the aggregate EBITDA for those periods equals or exceeds the cumulative amounts of those targets.

13.1.2 The cash portion due to Legacy (other than the Legacy Deferred Purchase Price) will be satisfied out of the net proceeds of the Placing and the Debt Financing.

13.1.3 The Legacy Agreement provides that a designee of Legacy will have the right to designate from among the members of Legacy one such member to serve or be nominated as a director of the Company and The Legacy Agency, Inc., provided such member is then, and continues to be, employed by The Legacy Agency, Inc. or one of its affiliates and provided that Legacy and its members collectively own at least 10 per cent. of the issued and outstanding shares of the Company. Greg Genske is the current designated nominee.

13.1.4 Legacy and its members have agreed for contracted periods to comply with customary provisions relating to confidentiality, non-competition and non-solicitation.

13.1.5 Legacy and its members have given representations and warranties in a form customary for agreements of this nature, including those pertaining to the ownership of the assets sold, rights respecting existing client representations and historical financial statements.

13.1.6 Legacy and its members have indemnified TLA Acquisitions Limited and its affiliates against breaches of representations and warranties, subject to certain caps, and to indemnify TLA Acquisitions Limited and its affiliates, without limitation, for breaches of covenants contained in the Legacy Agreement.

13.1.7 The Legacy Agreement is conditional, *inter alia*, upon Admission and completion of the Agency Agreement.

### **13.2 The Agency Acquisition**

13.2.1 The Agency Agreement has been entered into pursuant to which The Agency has conditionally agreed to sell certain business and assets and TLA Acquisitions Limited has agreed to purchase

that business and those assets. Under the terms of the Agency Agreement, the consideration to be paid for The Agency business and assets consists of:

- (a) \$5.588 million, subject to a working capital adjustment, in cash payable on completion of the acquisition;
- (b) \$3.916 million to be satisfied by the issue of 12,484,856 new Ordinary Shares, which are to be issued to The Agency on the second anniversary of the completion of the acquisition;
- (c) \$450,000 to be satisfied by the issue of 1,434,674 new Ordinary Shares (the “Agency Deferred Shares”) which are to be issued on the second anniversary of the completion of the Acquisitions. If dividends are declared and paid prior to the second anniversary, The Agency will be entitled to receive a payment equal to the dividends that it would have received if it were the registered holder of the Agency Deferred Shares as at the record dates for the payment of such dividends. The Company will use its reasonable best efforts to satisfy the obligation to issue the Agency Deferred Shares by placing 1,434,674 new Ordinary Shares and delivering the net proceeds from such placing to The Agency; and
- (d) up to \$4.261 million, payable in three earn-out payments ranging from \$0.991 million to up to \$2.24 million, payable in cash following the end of each of the first, second and third years following completion of the acquisition, contingent upon the achievement by the Agency business of certain EBITDA targets in each year. These earn-out payments can also be earned if the aggregate EBITDA for those periods equals or exceeds the cumulative amounts of those targets. In addition, The Agency members will be entitled to an additional retention bonus payment of up to \$1.25 million, payable in cash on the fifth anniversary of the completion of the acquisition, subject to various conditions having been satisfied. Under certain circumstances that payment may become due earlier.

13.2.2 The cash portion due to The Agency (other than the Agency Deferred Purchase Price) will be satisfied out of the net proceeds of the Placing and the Debt Financing.

13.2.3 The Agency and its members have agreed for contracted periods to comply with customary provisions relating to confidentiality, non-competition and non-solicitation.

13.2.4 The Agency and its members have given representations and warranties in a form customary for agreements of this nature, including those pertaining to the ownership of the assets sold, rights respecting existing client representations and historical financial statements.

13.2.5 Agency and its members have indemnified TLA Acquisitions Limited and its affiliates against breaches of representations and warranties, subject to certain caps, and to indemnify TLA Acquisitions Limited and its affiliates, without limitation, for breaches of covenants contained in the Agency Agreement.

13.2.6 The Agency Agreement is conditional, *inter alia*, upon Admission and completion of the Legacy Agreement.

13.3 The Legacy Agency, Inc. will be entering into an agreement with SunTrust Bank, providing for a senior secured five-year term loan in the principal amount of US\$10 million. Interest thereon will be payable at applicable USD LIBOR rates, based upon the election by The Legacy Agency, Inc. of period payments, plus 4 per cent. On a quarterly basis prior to maturity, The Legacy Agency, Inc. will be required to make principal payments of \$500,000 each, with the unpaid principal balance payable at maturity. Repayment of the loan will be secured by a first priority security lien on all of the assets of The Legacy Agency, Inc., including all current and future revenues under baseball player agency and sports marketing contracts. Proceeds from the term loan will be available to finance a portion of the Acquisitions, to provide for working capital needs and pay fees and expenses associated with the

loan. The loan agreement will also contain affirmative and negative covenants usual for facilities of this type, including financial covenants.

## **Relating to Admission**

### **13.4 Placing Agreement**

13.4.1 Under the Placing Agreement dated 2 December 2011, Cenkos has agreed (conditionally, *inter alia*, on Admission taking place no later than 8.00 a.m. on 8 December 2011 (or such later date as the Company and Cenkos may agree, being in any event not later than 8.00 a.m. on 16 December 2011)) as agent for the Company to procure subscribers for the Placing Shares at the Placing Price.

13.4.2 Under the Placing Agreement and subject to it becoming unconditional, the Company has agreed to pay Cenkos a corporate finance fee of £150,000 and to pay a five per cent. placing commission to Cenkos (or as it directs to satisfy any commissions payable to Cenkos' sub-agents). Cenkos is re-investing some of its fee and commission to subscribe for Placing Shares.

13.4.3 The Company will pay certain other costs and expenses (including any applicable VAT) of, or incidental to, the Placing, including all fees and expenses payable in connection with Admission, the expenses of the Company's registrar, printing and advertising expenses, postage and all other legal, accounting and other professional fees and expenses.

13.4.4 The Placing Agreement contains warranties and indemnities given by the Company and warranties given by the Directors to Cenkos as to the accuracy of the information contained in this Document and other matters relating to the Company, Legacy, The Agency and their respective businesses. Cenkos is entitled to terminate the Placing Agreement in certain specified circumstances prior to Admission.

### **13.5 Lock-in Agreements**

13.5.1 The Company and Cenkos will enter into lock-in and orderly market agreements on completion of the Acquisitions with the Locked-in Persons under which, save in certain limited circumstances, each of the Locked-in Persons has undertaken not to dispose of any Ordinary Shares or rights over Ordinary Shares for a period of 12 months from the date of Admission (or, in the case of the recipients of the Deferred Consideration Shares, 12 months from the date of issue of the Deferred Consideration Shares subject to the lock-in arrangements). Except in certain limited circumstances, any disposals by the Locked-in Persons are to be made following consultation with Cenkos (or the Company's nominated adviser from time to time), through the Company's broker.

13.5.2 The Company and Cenkos have further entered into lock-in agreements dated 2 December 2011 with Mr Principe, Mr Mighty and Mr Campbell under which each of Mr Principe, Mr Mighty and Mr Campbell have undertaken not to dispose of 834,450, 417,225 and 417,225 Ordinary Shares (or rights over the same), respectively – representing 1.5 per cent. of the Enlarged Share Capital – for a period of 5 years from Admission, except in certain circumstances. These circumstances include Mr Principe, Mr Mighty or Mr Campbell (whether in their capacity as directors or employees) leaving the Group as 'good leavers'.

13.5.3 The lock-in arrangements described above will apply in respect of 46.3 per cent. of the Enlarged Share Capital.

### **13.6 Nominated adviser and broker agreement**

The Company is party to a nominated adviser and broker agreement dated 2 December 2011 made between (1) the Company and (2) Cenkos, pursuant to which the Company has appointed Cenkos to act as nominated adviser for the purposes of the AIM Rules and as its broker. The agreement contains certain undertakings and indemnities given by the Company in respect of, *inter alia*, compliance with

applicable laws and regulations and is subject to (save in certain circumstances allowing (or earlier termination) termination by either party giving no less than 3 months' notice.

## **14. LITIGATION**

No member of the Group is or has been involved in any governmental, legal or arbitration proceedings which may have, or have had during the twelve months preceding the date of this Document, a significant effect on the Group's financial position or profitability, nor are the Directors aware of such proceedings, pending or threatened, against any member of the Group.

## **15. UNITED KINGDOM TAXATION**

15.1 The following paragraphs are intended as a general summary for individual Shareholders who are domiciled, resident and ordinarily resident in the United Kingdom for tax purposes and who hold Ordinary Shares in the Company as investments (rather than as dealing stock). The summary does not apply to shareholders who acquire Ordinary Shares following the exercise of a share option or otherwise in connection with their employment. This summary is based on existing tax legislation and current HMRC practice. Any person who is in any doubt as to his tax position, whether in the United Kingdom or in any other jurisdiction in which he may be liable to tax, and any person subject to tax in any other jurisdiction should consult, and rely upon, the advice of his own professional adviser in respect of the tax consequences of an investment in the Ordinary Shares.

### **15.2 Taxation of Dividends**

15.2.1 Under current United Kingdom tax legislation, no taxation should be withheld at source from dividend payments made by the Company to its Shareholders.

15.2.2 For UK tax resident individuals, dividends are treated as income and taxed at the top slice of that income subject to and with the benefit of a tax credit equivalent to 1/9th of the dividend. The effect of the tax credit means that for tax year 2011/2012 a basic rate tax payer has an effective tax rate of 10 per cent. applying to the dividend but as this is met by the tax credit there is no further liability to tax. Higher rate tax payers are liable to pay tax at an effective tax rate of 32.5 per cent. on that part of the dividend falling above the higher rate limit and additional rate tax payers at an effective tax rate of 42.5 per cent. on that part of the dividend falling above the additional rate limit.

15.2.3 United Kingdom resident corporate Shareholders will generally not be subject to corporation tax in respect of dividends received from the Company unless the Shareholder is carrying on a trade of dealing in shares.

### **15.3 Taxation on chargeable gains**

If an individual Shareholder who is resident and ordinarily resident for tax purposes in the United Kingdom disposes of some or all of his Ordinary Shares, such a disposal may give rise to a chargeable gain or an allowable loss for the purposes of capital gains tax. In computing a chargeable gain, the Shareholder should be entitled to deduct from the disposal proceeds the cost to him of acquiring the Ordinary Shares as well as utilising any available exemptions, allowances or reliefs. Capital gains tax is normally charged at a rate of 28 per cent. for higher and additional rate earners and 18 per cent. for basic rate earners. United Kingdom resident corporate Shareholders may be subject to corporation tax on chargeable gains.

### **15.4 Stamp duty and stamp duty reserve tax**

15.4.1 No stamp duty or stamp duty reserve tax ("SDRT") will generally be payable on the issue by the Company of the Ordinary Shares.

15.4.2 Transfers of Ordinary Shares for value will give rise to a liability on the purchaser to ad valorem stamp duty or SDRT at the rate of 0.5 per cent. of the consideration (in the case of

stamp duty, rounded up to the nearest £5 and subject to an exemption where the consideration payable is less than £1,000 and the transaction is not part of a larger transaction).

15.4.3 No stamp duty or SDRT should arise on the transfer of the Ordinary Shares to CREST for conversion into uncertificated form, unless the transfer is for consideration. Transfers under the CREST system for paperless transfers of shares will generally be liable to SDRT at the rate of 0.5 per cent. of the consideration. CREST is obliged to collect SDRT from the transferee in relation to transfers settled through the CREST system.

15.5 The above statements are intended as a general guide only to the current taxation regime in the United Kingdom and are not exhaustive. Any person who is in any doubt as to his taxation position, or is subject to tax in a jurisdiction other than the United Kingdom, should consult his own professional adviser.

## **16. MISCELLANEOUS**

16.1 In the opinion of the Directors, having made due and careful enquiry and having regard to the net proceeds receivable from the Placing and the Debt Financing, the working capital available to the Group following Admission will be sufficient for its present requirements, that is for at least twelve months from the date of Admission.

16.2 There has been no significant change in the financial or trading position of the Company since incorporation.

16.3 There has been no significant change in the financial or trading position of Legacy since 30 June 2011, being the date to which the unaudited interim financial information of Legacy for the six months ended 30 June 2011 was prepared.

16.4 There has been no significant change in the financial or trading position of The Agency since 30 June 2011, being the date to which the unaudited interim financial information of The Agency for the six months ended 30 June 2011 was prepared.

16.5 The historical financial information set out in Parts IV and V of this Document does not constitute statutory accounts for either Legacy or The Agency.

16.6 Deloitte LLP is registered in England and Wales under number OC303675 and its registered office is at 2 New Street Square, London EC4A 3BZ. Deloitte LLP, a member of the Institute of Chartered Accountants, were appointed as auditors of the Company on 16 September 2011. Deloitte LLP has given and has not withdrawn its written consent to the inclusion in this Document of its accountants' reports set out in Parts IV and V in the form and context in which they appear and has authorised the contents of those parts of this Document.

16.7 Cenkos Securities plc is registered in England and Wales under number 05210733 and its registered office is at 6.7.8 Tokenhouse Yard, London EC2R 7AS. Cenkos Securities plc is authorised and regulated by the FSA and has given and has not withdrawn its written consent to the issue of this Document with the inclusion of its name and references to it in the form and context in which they appear.

16.8 Information in this Document which has been sourced from third parties has been accurately reproduced and, so far as the Company is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

16.9 The total costs, charges and expenses payable by the Company in connection with Admission and the Placing are estimated to be £2.03 million. The net proceeds of the Placing will be £9.9 million.

16.10 Save for Hank Schinman (or an affiliate thereof), to whom the Company will, in consideration of services performed with respect to the negotiation of the Agency Agreement, pay up to \$100,000 on completion of the Agency Agreement and StormHarbour Securities LP, to which the Company will, on Admission, pay approximately £210,000 (\$333,000), in consideration of services provided with respect to the arrangement of the Debt Facility (some of which fee is being re-invested to subscribe for Placing Shares), there has been no person (excluding professional advisers named in this

Document or trade suppliers) who has (i) received, directly or indirectly, from the Company within the 12 months preceding the date of the application for Admission or (ii) entered into contractual arrangements (not otherwise disclosed in this Document) to receive, directly or indirectly from the Company on or after Admission, any of the following: (a) fees of £10,000 or more, (b) securities in the Company of £10,000 or more value or (c) any other benefit with a value of £10,000 or more as at the date of Admission.

- 16.11 Save as disclosed in this Document and as far as the Directors are aware there are no known trends, uncertainties, demands, commitments or events that are reasonably expected to have a material effect on the Group's prospects for at least the current financial year.
- 16.12 As far as the Directors are aware, there are no environmental issues that may affect the Group's utilisation of its tangible fixed assets.
- 16.13 Save as set out in this Document, the Company is not dependent on patents or other intellectual property rights, licences or particular contracts which are or may be of fundamental importance to the Company's business.
- 16.14 The Directors and the Company are not aware of the existence of any takeover offers by third parties in respect of the share capital of the Company.
- 16.15 The Directors are not aware of any other information that they should reasonably consider as necessary for the investors to form a full understanding of (i) the assets and liabilities, financial position, profits and losses and prospects of the Company and the securities for which Admission is being sought, (ii) the rights attached to those securities and (iii) any other matter contained in this Document.

Dated 2 December 2011

