Company Number: 03882621

ULTIMATE SPORTS GROUP Plc

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

28 June 2017

Contents

Directors

R L Owen	*Executive chairman*
G Simmonds FCA	*Chief executive*
D Hillel FCA	*Finance director*
J Zucker	*Non executive director*
D J Coldbeck	*Non executive director*

Secretary

D Hillel FCA

Registered office

30 City Road
London EC1Y 2AB

Company number

03882621

Company website

www.ultimatesportsgroup.me

Bankers

Barclays Bank Plc
27 Soho Square
London
W1D 3QR

Nominated advisor

Cantor Fitzgerald Europe
One Churchill Place
London
E14 5RB

Auditors

Hazlewoods LLP
Staverton Court
Staverton
Cheltenham
Gloucestershire
GL51 0UX

Joint Brokers

Cantor Fitzgerald Europe
and
Dowgate Capital Stockbrokers Limited
Talisman House
Jubilee Walk
Crawley, West Sussex
RH10 1LQ
and
Northland Capital Partners Limited
60 Gresham Street
London EC2V 7BB

Legal advisors

Howard Kennedy LLP
No 1. London Bridge
London
SE1 9BG

Registrars

Share Registrars Limited
The Courtyard
17 West street
Farnham, Surrey GU9 7DR

Ultimate Sports Group Plc ("USG" or the "Company")

Final Results

Ultimate Sports Group Plc, the AIM listed investment vehicle, announces its results for the year ended 31st December 2016.

Chairman's Statement and Chief Executive's Review

For the year ended 31st December 2016, we are reporting an operating loss before adjusted items of £287,433 (2015: loss before adjusted items £259,830).

These figures exclude website development costs and amortisation of £141,763 for 2016 and £71,813 in the previous year.
Additionally and as a result of terminating our small-sided football league activities, the results exclude non-recurring losses of £158,747 in 2016 and £77,436 in the previous year.

USG's net cash balances at 31st December 2016 were £129,437 (2015: £357,915). The Directors are not recommending the payment of a dividend.

Share Placing

In June 2016, USG issued 5 million new Ordinary shares at 10p per share to raise £500,000 before expenses. Following the share placing and allotments during the year, the Company had 20,486,638 Ordinary shares in issue at 31 December 2016. Since the year end, the Company has raised £212,500 before expenses through a placing of 2,125,000 shares at 10p per share.

Ultimate Player.me

UltimatePlayer.me is a new digital platform that increases the participation and enjoyment of children in school sports.

The platform is operating as a Freemium business model – aiming to achieve web scale of free users with a percentage encouraged to subscribe as members.

Given that the platform is built to be used by coaches with children it has a complex set of users to satisfy and there have been a number of challenges successfully dealt with:

- Coaches must be motivated to use the platform (for free) with their classes
- Parents must be comfortable to allow their children to join the platform, and help their children engage with it, ultimately getting enough value to purchase memberships and products
- Children must be excited enough about the platform to want to log in regularly and to participate in the platform

We have successfully dealt with the challenges because the young players embrace it. In our experience when a coach uses the platform with a class, their players are excited to participate. They change their behaviour in the classes, wanting to develop a wider range of skills and ultimately they participate in more classes. They are excited by awards and actively engage with their parents in the evenings to check their results.

Equally, we have found that the early adopter coaches are enthusiastic about the platform and we have feedback on what it has achieved for them.

We have also had very positive feedback from parents. They value awards, and the increased interest of their children in the sports that they are participating in. Over 50% of parents activate their children on the platform once invited. Parents are also needed to help their children log on to the site in the evenings, and are doing so in high numbers.

The traction that the platform has gained with both children and parents, has led to10% of active players over a 3 month period purchasing memberships.

We have also demonstrated that parents are happy to purchase UltimatePlayer.me merchandise.

We believe that the dynamics of the platform are functioning as planned: coaches are signing up, inviting children who are participating and their parents are spending on memberships and merchandise.

The cost of development to date is represented by the investment we have made of £729,157.
The pilot for Ultimate Player, which is currently being used by a number of coaches and children, has indicated very positive results. The board is now exploring avenues to exploit it.

Pantheon Leisure Plc ("Pantheon")

USG holds 85.87% of the issued share capital of Pantheon which in turn owns 100% of the operating business of Pantheon's Sport and Leisure division.

Pantheon's Sport and Leisure division comprises two trading companies, Sport in Schools Limited ("ESS") also known as The Elms Sport in Schools and Football Partners Limited ("FPL") also known as The Elms Small Sided football.

The business of FPL was sold in November 2016 to Powerplay Team Sports Limited, a company operating in the same sector for a consideration of up to £100,000 with cash payable on deferred terms and subject to certain conditions. Those conditions have now been fulfilled and £82,500 has been received with a further final payment of £17,500 due in October 2017.

Pantheon trading companies made a trading loss of £36,212 before exceptional items for the year (2015: Profit £67,243).

On a turnover of £1,246,888 (2015: £1,243,011), ESS has contributed divisional profit (before exceptional item) of £122,535 as compared with £144,679 to 31 December 2015.

ESS specialises in the delivery of primary school sport – covering the National Curriculum during the day and The Extended Day before and after school hours (breakfast, lunchtime and after-school clubs).

The majority of the breakfast and lunchtime clubs are provided and paid for by the school, whilst the majority of after-school clubs are paid for by the parents.

Holiday camps are a successful area for ESS where it provides sports tuition during the school holidays. The majority of the camps are paid for by parents, whilst a few are paid for by the school.

The ESS directors have developed bespoke skill sets which have been adopted with great enthusiasm by its full time staff and part time coaches. On average, some 200,000 children are coached between 12 to 25 hours a week. All its coaches are highly qualified (minimum level 2), DBS checked, child protection vetted and rigorously trained by ESS in all the main disciplines required by the National Curriculum. The management of ESS constantly monitors and assesses the level of performance of its coaches throughout the school year.

Outlook

The continuing success of the sports tuition activities of ESS is encouraging and the directors consider that together with the gradual acceptance of the Ultimate Player.me website, there is potential for growth.

We look forward to updating shareholders on progress.

R.L. Owen

G.M. Simmonds

28 June 2017

Richard Owen - Executive Chairman

Richard is a non-executive director of Aeorema Communications Plc, a company traded on AIM. Richard has extensive experience and involvement in corporate and strategic planning, acquisitions and finance. Richard holds various company directorships.

Geoffrey Simmonds - Chief Executive Officer

Geoffrey qualified as a chartered accountant in 1966. He has extensive involvement and experience in corporate and strategic planning, acquisitions and finance. Geoffrey holds various other company directorships.

David Hillel - Finance Director

David is a chartered accountant, having qualified in 1966 and has extensive experience in the affairs of family run businesses of varying sizes and specialises in property dealing, development and investment companies. He is a fellow of the Institute of Chartered Accountants in England and Wales.

John Zucker - Non-Executive Director

John is a solicitor with considerable company and commercial experience. He is a consultant in the corporate department at law firm, Veale Wasbrough Vizards.

David Coldbeck - Non-Executive Director

David worked for HSBC Bank plc for 32 years during which time he undertook various managerial roles in Retail and Corporate Banking, ultimately being appointed Area Director in London, a position he held for nine years prior to his retirement in 1999. David holds various other company directorships.

Company Number 03882621

The directors present their report and financial statements for the group and parent company for the year ended 31 December 2016.

Results and dividends
The loss of the group before and after tax is given on page 12. The directors do not recommend the payment of a dividend.

Directors
The directors holding office during the year were:-

R L Owen
G Simmonds
D Hillel
J Zucker
D Coldbeck

Directors' interests
At the date of this report the directors held the following beneficial interests in the ordinary share capital:

	Ordinary shares No.
R L Owen	2,444,672
G Simmonds	2,557,092
D Hillel	86,406
J Zucker	449,373
D Coldbeck	99,015

Substantial Interests
At the date of this report, the following had an interest of 3% or more in the ordinary share capital of the company:

	Ordinary shares	Percentage
G Simmonds	2,557,092	12.48
R L Owen	2,444,672	11.93
B Rowan	2,000,000	9.76
D Kyte	1,700,000	8.30
The Estate of W Weston deceased	1,677,000	8.19
N Slater	1,500,000	7.32
J Shulman	1,250,000	6.10
N H Slater	1,000,000	4.88

Auditors
In accordance with Section 489 of the Companies Act 2006 a resolution proposing that Hazlewoods LLP, be re-appointed as auditors of the company will be put forward at the forthcoming Annual General Meeting.

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware and the directors have taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By order of the board.

D Hillel
Company secretary
28 June 2017

Principal activities, review and future developments

The principal activity of Ultimate Sports Group Plc (“the company”) is to make investments in or to acquire early stage companies operating in the sectors of sport, technology, social media and general investment.

The trading subsidiaries during 2016 were Reverse Take-Over Investments Plc, Ultimate Player Ltd, Sport in Schools Limited and Football Partners Limited.

Reverse Take-Over Investments Limited specialises in the formation and development of shell companies. There were no investment transactions in the year ended 31 December 2016.

Ultimate Player Limited continued with its activities developing UltimatePlayer.me. Costs incurred developing the website in the year were £134,614 (2015 £270,250). Costs associated with the website and related marketing costs written off in the year totalled £141,763 (2015 £71,813).

Sport in Schools Limited continued providing coaching in schools, camps and after school clubs and continues to expand its operations. The company’s profit for the year before exceptional items was £122,535 (2015 £144,679).

Football Partners Limited carried on the business of running small-sided football leagues. The affects of a difficult market continued to impact on the company’s operating performance resulting in a loss of £158,747 (2015 loss £77,436).In January 2017, the company’s business activities ceased following the disposal of future gross revenue from small -sided leagues for £100,000.

The board continues to focus on all activities carried on by its trading subsidiaries. A more detailed review of the businesses is given in the chairman’s statement and chief executive’s review on pages 2 and 3 and in note 6 to the group financial statements.

The group’s key performance indicators are measured by reference to the fair value of investments-for-sale, growth in turnover and profit, details of which are also given in note 6 in the notes to the group financial statements.

Principal risks and uncertainties

The main business risks to the group’s trading operations are:

The operating performance and future prospects of the group’s available-for-sale investments can have an effect on their market value for trading purposes.

The group’s sport in schools activities rely on the continuation of government policy regarding preparation, planning and assessment time for teachers and compliance with the government recommended amount of time to be devoted to sports and physical education.

The main financial risks to the group are market, credit and liquidity risks.

Market risk is the risk that changes in general economic conditions will affect the value of the group’s portfolio of available for sale investments. The directors monitor market values with the view to maximising revenues in the event of disposals.

Credit risks arise from trade receivables where the party fails to discharge their obligation in relation to the financial instrument. To minimise this risk, management have appropriate credit assessment methods to establish credit worthiness of new customers and monitor receivables by regularly reviewing aged receivable reports. There is no concentration of credit risk.

Liquidity risk arises in relation to the group’s management of working capital and the risk that the company or any of its subsidiary undertakings will encounter difficulties in meeting financial obligations as and when they fall due. To minimise this risk the liquidity position and working capital requirements are regularly reviewed by management. Further explanation of these risks is set out in note 4 to the financial statements.

The directors do not consider changes in interest rates have a significant impact on the group’s cost of finance or operating performance.

Environmental policy

The group recognises the importance of environmental responsibilities and where practicable has an environmental policy in place which includes the recycling of paper and all office material. The directors believe the nature of its activities have a minimal effect on the environment.

Health and safety

The company recognises the importance of safeguarding the health, safety and welfare of all employees in the group and the relevant subsidiary undertakings have health and safety policies in place.

D Hillel
Company secretary
28 June 2017

The board of Ultimate Sports Group Plc is accountable to the company's shareholders for good corporate governance. The directors are committed to proper standards of good governance and will continue to keep procedures under review. The following provides an outline of the principal policies and procedures established by the board.

Board and board committees

Board meetings are held on a monthly basis throughout the year which with few exceptions have been fully attended. In view of the small size of the board, matters otherwise dealt with by the remuneration committee have been dealt with by the board as a whole.

The audit committee is composed of the two non-executive directors and meetings are held twice a year to review the company's interim and final results.

The company's shares are traded on AIM and, as such under AIM Rule 31, the company is required to:

- have in place sufficient procedures, resources and controls to enable its compliance with the AIM rules;
- seek advice from its nominated adviser ("nomad") regarding its compliance with the AIM Rules whenever appropriate and take that advice into account;
- provide the company's nomad with any information it requests in order that the nomad can carry out its responsibilities under the AIM Rules for companies and the AIM rules for nominated advisers;
- ensure that each of the company's directors accepts full responsibility, collectively and individually, for compliance with the AIM Rules; and
- ensure that each director discloses without delay all information which the company needs in order to comply with AIM Rule 17 (Disclosure of Miscellaneous Information) insofar as that information is known to the director or could with reasonable diligence be ascertained by the director.

The board as a whole have considered their obligations under AIM Rule 31 and are satisfied the objectives set out above are being met.

Relationships and shareholders

The board places considerable importance on creating and maintaining a strong relationship with its shareholders.

Accountability and financial control

The board has overall responsibility for the systems of financial controls which reflect the current scale of the group's activities, the key features of which are as follows:

(i) **Control environment**
There are clearly defined organisational responsibilities and the board is committed to employing suitably qualified staff so that the appropriate level of authority can be delegated with regard to accountability and acceptable levels of risk.

(ii) **Information systems**
The group prepares monthly financial information which is discussed at the monthly board meetings.

(iii) **Identification and evaluation of business risks and controls**
Management control is exercised at all levels of the group and is regulated by appropriate limits of authority. The directors have considered various areas of business risks and take decisions whenever there are perceived changes to the risks.

(iv) **Quality and integration of personnel**
The group attaches high importance to the values of trust, honesty and integrity of personnel in positions of responsibility and operates a policy of recruiting suitably experienced personnel with defined duties.

The board has considered the need for an internal audit function but does not consider that the size of the business justifies a full-time appointment. The board continues to monitor this appointment and will act accordingly.

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have, as required by the AIM Rules of the London Stock Exchange, elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with IFRS's as adopted by the European Union; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that company and the group will continue in business.

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

The directors are responsible for the maintenance and integrity of any corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

We have audited the financial statements of Ultimate Sports Group Plc for the year ended 31 December 2016 which comprise the consolidated statement of comprehensive income, the consolidated and company statement of financial position, the consolidated and company statements of cash flows, the consolidated statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS's) as adopted by the European Union and, as regards the parent company financial statements as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report and for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities set out on page 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of audit and financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement whether caused by fraud or error. This includes an assessment of whether; the accounting policies are appropriate to the group and parent company's circumstances and have been consistently applied and accurately disclosed; the reasonableness of accounting estimates made by the directors and the overall presentation of the financial statements.

In addition we read all the financial and non-financial information in the annual report, directors' report and strategic report to identify material inconsistencies with the audited financial statements and to identify any information which is materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2016 and of the group's loss for the year then ended;
- the financial statements have been properly prepared in accordance with IFRS's as adopted by the European Union; and
- the financial statements have been prepared in accordance with the provisions of the Companies Act 2006.

Emphasis of matter

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 5 to the financial statements concerning the Group's ability to continue trading as a going concern.

The ability of the Group to continue to meet its working capital requirements and launch the Ultimate Player online platform is dependent upon further funding being secured. If such funding is not secured, the Group will be unable launch the new product, which is fundamental to its ability to achieve future profits. These conditions indicate the existence of material uncertainty which may cast significant doubt about the Company and the Group's ability to continue as a going concern. The financial statements do not include adjustments that would result if the Group is unable to continue as a going concern. In particular, the financial statements include intangible assets in respect of capitalised software development costs of £504,492 in connection with the Ultimate Player platform, the recovery of which is dependent upon the launch and ultimate success of the product. The financial statements do not include any provision for impairment in the value of intangible assets that might be necessary if the directors are unable to successfully launch the product.

Opinions on other matter prescribed by the Companies Act 2006

In our opinion:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following:

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

Paul Fussell (Senior Statutory Auditor)
For and on behalf of Hazlewoods LLP, Statutory Auditors

Staverton Court
Staverton
Cheltenham
Gloucestershire
GL51 0UX

28 June 2017

	Notes	2016 £	Restated 2015 £
Continued activities			
Revenue	**3b, 6**	1,248,490	1,243,011
Cost of sales		(717,020)	(628,348)
Gross profit		531,470	614,663
Administrative expenses		(818,903)	(874,493)
Loss before website costs written off		(287,433)	(259,830)
Website costs and amortisation		(141,763)	(71,813)
Operating loss	**7**	(429,196)	(331,643)
Finance income	**9**	1,602	1,150
Finance costs	**10**	(3,972)	(3,972)
Other gains and losses	**11**	-	55,480
Profit/(loss) before taxation		(431,566)	(278,985)
Taxation	**12**	6,836	(23,334)
Profit/(loss) after taxation		(424,730)	(302,319)
Discontinued activities			
Revenue	**3b, 6**	373,935	431,510
Cost of sales and expenses		(532,682)	(508,946)
Operating loss	**7**	(158,747)	(77,436)
Attributable to:			
Equity holders of the parent company		(566,581)	(377,424)
Non-controlling interests		(16,896)	(2,331)
		(583,477)	(379,755)
Other comprehensive loss:			
Revaluation losses on available-for-sale investments taken to equity		(3,275)	(14,553)
Taxation on items taken directly to equity	**12**	618	23,334
Other comprehensive profit/(loss)		(2,657)	8,781
Comprehensive loss attributable to:			
Equity holders of the parent company		(569,238)	(368,643)
Minority interest		(16,896)	(2,331)
Total comprehensive loss		(586,134)	(370,974)
Loss per share (basic and diluted)			
(Loss)/Earnings from operations per share	**13**	(0.0318)p	(0.02655)p
Other comprehensive earnings/(loss) per share		(0.0001)p	0.00045p
Total comprehensive loss per share		(0.0319)p	(0.02610)p

The notes on pages 19 to 38 form part of these financial statements.

	Notes	2016	2015
		£	£
Non current assets			
Goodwill and other intangibles	**15**	564,546	487,021
Property, plant and equipment	**17**	31,570	80,975
Total non-current assets		596,116	567,996
Current assets			
Available-for-sale investments	**18**	25,998	29,273
Trade and other receivables	**19**	97,702	182,254
Cash and cash equivalents		129,437	357,915
Total current assets		253,137	569,442
Total assets		**849,253**	**1,137,438**
Current liabilities			
Trade and other payables	**20**	222,547	385,114
Borrowings	**23**	17,377	18,877
Total current liabilities		239,924	403,991
Non-current liabilities			
Borrowings	**23**	30,562	47,939
Total non-current liabilities		30,562	47,939
Total liabilities		**270,486**	**451,930**
Net assets		**578,767**	**685,508**
Equity			
Share capital	**24**	2,048,664	1,526,164
Share premium account		393,454	401,039
Merger reserve		325,584	325,584
Fair value reserve		(1,507)	1,150
Retained earnings		(2,123,512)	(1,569,380)
Equity attributable to shareholders' of the parent company		**642,683**	**684,557**
Non- controlling interests		(63,916)	951
Total Equity		**578,767**	**685,508**

The financial statements were approved and authorised for issue by the board on 28 June 2017 and signed on its behalf by:

R L Owen
Director

G Simmonds
Director

The notes on pages 19 to 38 form part of these financial statements.

	Share capital £	Share premium £	Merger reserve £	Fair value reserve £	Retained earnings £	To equity holders of the parent company £	Non-controlling interest £	Total £
Balance at 1 January 2015	1,426,164	304,289	325,584	92,268	(1,204,404)	**943,901**	3,282	947,183
Issue of new shares	100,000	96,750	-	-	-	**196,750**	-	196,750
Released on sale of available for sale investments	-	-	-	(99,900)	-	**(99,900)**	-	(99,900)
Revaluation profits taken to equity	-	-	-	(14,552)	-	**(14,552)**	-	(14,552)
Deferred tax on items taken directly to equity	-	-	-	23,334	-	**23,334**	-	23,334
Share based payment	-	-	-	-	12,448	**12,448**	-	12,448
Loss for the year	-	-	-	-	(377,424)	**(377,424)**	(2,331)	(379,755)
Reserves at 1 January 2016	1,526,164	401,039	325,584	1,150	(1,569,380)	**684,557**	951	685,508
Issue of new shares	522,500	18,000	-	-	-	**540,500**	-	540,500
Share issue costs	-	(25,585)	-	-	-	**(25,585)**	-	(25,585)
Released on sale of available for sale investments	-	-	-	(3,275)	-	**(3,275)**	-	(3,275)
Deferred tax on items taken directly to equity	-	-	-	618	-	**618**	-	618
adjustment for non- controlling interest	-	-	-	-	-	**-**	(47,971)	(47,971)
Share based payment	-	-	-	-	12,449	**12,449**	-	12,449
Loss for the year	-	-	-	-	(566,581)	**(566,581)**	(16,896)	(583,477)
At 31 December 2016	**2,048,664**	**393,454**	**325,584**	**(1,507)**	**(2,123,512)**	**642,683**	**(63,916)**	**578,767**

	Notes	2016 £	2015 £
Non current assets			
Investment in subsidiaries	**16**	606,571	570,336
Property, plant and equipment	**17**	20,915	48,803
Total non-current assets		627,486	619,139
Current assets			
Available-for-sale investments	**18**	1,688	1,688
Trade and other receivables	**19**	971,993	685,568
Cash and cash equivalents		175,789	209,296
Total current assets		1,149,470	896,552
Total assets		**1,776,956**	**1,515,691**
Current liabilities			
Trade and other payables	**20**	283,073	241,081
Borrowings	**23**	13,877	13,877
Total current liabilities		296,950	254,958
Non-current liabilities			
Borrowings	**23**	28,562	42,439
Total non-current liabilities		28,562	42,439
Total liabilities		**325,512**	**297,397**
Net assets		**1,451,444**	**1,218,294**
Equity			
Share capital	**24**	2,048,664	1,526,164
Share premium account		393,454	401,039
Merger reserve		325,584	325,584
Retained earnings		(1,316,258)	(1,034,493)
Total equity		**1,451,444**	**1,218,294**

The financial statements were approved and authorised for issue by the board on 28 June 2017 and signed on its behalf by:

R L Owen
Director

G Simmonds
Director

The notes on pages 19 to 38 form part of these financial statements.

	Share capital £	Share premium £	Merger reserve £	Fair value reserve £	Retained earnings £	Total £
At 1 January 2015	**1,426,164**	**304,289**	**325,584**	**-**	**(552,367)**	**1,503,670**
Issue of new shares	100,000	96,750	-	-	-	196,750
Loss for the year	-	-	-	-	(494,574)	(494,574)
Share based payment	-	-	-	-	12,448	12,448
At 1 January 2016	**1,526,164**	**401,039**	**325,584**	**-**	**(1,034,493)**	**1,218,294**
Issue of new shares	522,500	18,000	-	-	-	540,500
Share issue costs	-	(25,585)	-	-	-	(25,585)
Loss for the year	-	-	-	-	(294,214)	(294,214)
Share based payment	-	-	-	-	12,449	12,449
At 31 December 2016	**2,048,664**	**393,454**	**325,584**	**-**	**(1,316,258)**	**1,451,444**

	Note	2016 £	2015 £
Cash flow from all operating activities			
(Loss)/profit before taxation		(590,313)	(356,421)
Adjustments for:			
Finance income		(1,602)	(1,150)
Finance expense		3,972	3,972
Amortisation of intangible assets		57,089	9,306
Other gains and losses		-	(55,480)
Depreciation		53,406	46,181
Share based payments		12,448	12,448
Operating cash flow before working capital movements		(465,000)	(341,144)
Decrease/(increase) in receivables		84,552	(40,074)
(Decrease)/increase in payables		(162,567)	46,333
Net cash absorbed by operations		**(543,015)**	**(334,885)**
Taxation		**7,454**	**-**
Cash flow from investing activities			
Finance income		1,602	1,150
Property, plant and equipment acquired		(4,001)	(10,563)
Social media website development costs		(134,614)	(270,250)
Acquisition of non- controlling interest		(47,970)	
Proceeds on disposal of available for sale investments		-	89,230
Net cash from investing activities		**(184,983)**	**(190,433)**
Cash flow from financing activities			
Finance expense		(3,972)	(3,972)
Funds from share issue		514,915	196,750
Repayment of borrowings		(18,877)	(18,877)
Net cash from financing activities		**492,066**	**173,901**
Net (decrease)/increase in cash and cash equivalents in the year	**31**	**(228,478)**	**(351,417)**
Cash and cash equivalents at the beginning of the year		357,915	709,332
Cash and cash equivalents at the end of the year		**129,437**	**357,915**

A statement of cash flows from discontinued activities is set out in note 31c.

The notes on pages 19 to 38 form part of these financial statements.

	Notes	2016 £	2015 £
Cash flow from operating activities			
Loss before tax		(294,213)	(494,573)
Adjustments for:			
Finance income		(16,500)	(76,100)
Finance expense		3,972	3,972
Other gains and losses			214
Provision for impairment in value of investments in subsidiaries		10,765	126,535
Provision for intra group indebtedness			174,401
Depreciation		27,888	27,888
Share based payments		12,448	12,448
Operating cash flow before working capital movements		(255,640)	(225,215)
(Increase)/decrease in receivables		(269,926)	(241,338)
Increase/(decrease) in payables		41,993	(105,930)
Net cash absorbed by operations		**(483,573)**	**(572,483)**
Cash flow from investing activities			
Investment acquired		(47,000)	
Dividends from available for sale investments		-	59,600
Net cash inflow from investing activities		**(47,000)**	**59,600**
Cash flow from financing activities			
Funds from share issue		514,915	196,750
Other loans		-	30,000
Finance expense		(3,972)	(3,972)
Hire purchase repayments		(13,877)	(13,877)
Net cash from financing activities		**497,066**	**208,901**
Net (Decrease/increase) in cash and cash equivalents in the year	**31**	**(33,507)**	**(303,982)**
Cash and cash equivalents at the beginning of the year		209,296	513,278
Cash and cash equivalents at the end of the year		175,789	209,296

The notes on pages 19 to 38 form part of these financial statements

1. General information

Ultimate Sports Group Plc is a company incorporated in the United Kingdom and its activities are as described in the chairman's statement and directors' report.

These financial statements are prepared in pounds sterling because that is the currency of the primary economic environment in which the group operates.

2. Basis of Accounting

The consolidated financial statements of the group for the year ended 31 December 2016 have been prepared under the historical cost convention except for the revaluation of available-for-sale investments to fair value and are in accordance with International Financial Reporting standards ("IFRS") as adopted by the EU. These policies have been applied consistently except where otherwise stated.

The following new and amended IFRSs have been adopted during the year.

IFRS 14 Regulatory Deferral Accounts
Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11)
Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)
Equity Method in Separate Financial Statements (Amendments to IAS 27)
Annual Improvements 2012-2014 Cycle
Disclosure Initiative (Amendments to IAS 1)
Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)

There were no material changes in the financial statements as a result of adopting new or revised accounting standards during the year.

The Group has not yet adopted certain new standards, amendments and interpretations to existing standards, which have been published but are not yet effective. The new pronouncements are listed below:

IFRS 9 Financial Instruments (effective 1 February 2015)
IFRS 15 Revenue from Contracts with Customer (IASB effective 1 January 2018)
IFRS 16 Leases (IASB effective 1 January 2019; not yet adopted by EU)
Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective date deferred indefinitely, not yet adopted by EU)
Amendments to IAS 12: Recognition of Deferred Tax Assets for Unrealised Losses (effective 1 January 2017, not yet adopted by EU)
Amendments to IAS 7: Disclosure Initiative (effective 1 January 2017, not yet adopted by EU)
Clarifications to IFRS 15 'Revenue from Contracts with Customers' (effective 1 January 2018, not yet adopted by EU)
Amendments to IFRS 2: Classification and Measurement of Share-based Payment Transactions (effective 1 January 2018, not yet adopted by EU)
Amendments to IFRS 4: Applying IFRS 9 'Financial Instruments' with IFRS 4 'Insurance Contracts' (effective 1 January 2018, not yet adopted by EU)
Annual improvements to IFRS Standards 2014-2016 Cycle (effective 1 January 2017 for amendments to IFRS 12, effective 1 January 2018 for amendments to IFRS 1 and IAS 28, not yet adopted by EU)

The directors anticipate that the adoption of these standards and interpretations in future periods will have no material effect on the financial statements of the group.

3. Significant accounting policies

(a) **Basis of consolidation**

The financial statements of the group incorporate the financial statements of the company and entities controlled by the company which are its subsidiary undertakings. Control is achieved where the company has the power to govern the financial and operating policies of its subsidiary undertakings so as to benefit from their activities.

Details of subsidiary undertakings are set out in note 16.

All intra-group transactions and balances have been eliminated in preparing the consolidated financial statements.

(b) **Revenue**

Revenue arises from the disposal of available-for-sale investments and income from sports and leisure activities undertaken by the company and its subsidiary undertakings. In the case of sports and leisure activities it represents invoiced and accrued amounts for services supplied in the year, exclusive of value added tax and trade discounts.

(c) **Goodwill**

Goodwill arising on consolidation represents the excess of the cost of acquisition over the group's interest in the fair value of the identifiable assets and liabilities of subsidiary entities at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill which is recognised as an asset is reviewed for impairment at least annually. Any impairment is recognised immediately in the income statement and is not subsequently reversed.

For the purpose of impairment testing, goodwill is allocated to each of the group's cash generating units expected to benefit from synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, associate or jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Goodwill arising on acquisitions before the date of transition to IFRS's has been retained at the previous UK GAAP amounts subject to being tested for impairment at that date.

c) **Development costs**

Development costs are written off in arriving at the operating profit or loss for the year unless the directors are satisfied as to the technical, commercial and financial viability of individual project. In this situation, the expenditure is recognised as an asset and is reviewed for impairment on an annual basis.
Any impairment is recognised immediately in the income statement and is not subsequently reversed.
Development costs not written off in the year are amortised over a 10 year life which commenced in September 2015 with the initial launch of the website.

(d) **Plant and equipment**

Plant and equipment are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less their estimated residual value over their expected useful lives.

The rates applied to these assets are as follows:

Plant & equipment	25% & 10% straight line
Motor vehicles	33.3% straight line

3. Significant accounting policies (continued)

(e) **Operating leases**

Rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are charged against revenue as and when incurred.

(f) **Deferred taxation**

Deferred taxation is provided in full in respect of timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance is not discounted.

The recognition of deferred tax assets is limited to the extent that the group anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

(g) **Trade receivables**

Trade receivables are recognised at fair value. A provision for impairment of trade receivables is established where there is objective evidence that the company or group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or liquidation and default or delinquency of payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement within administrative expenses. When a trade receivable is uncollectable it is written off against the allowance account for trade receivables.

(h) **Investments**

Investments are classified as available for sale, and are measured at fair value. Gains or losses in 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. Impairment losses recognised in profit or loss are not subsequently reversed through profit or loss.

Fair value of quoted investments is based on current bid prices. If an investment is suspended from trading, fair value is based on quoted bid prices on the first day that trading recommences following suspension.

Investments in subsidiary undertakings are stated at cost less provision for impairment in the parent company balance sheet.

(i) **Cash and cash equivalents**

Cash and cash equivalents include cash in hand and deposits held at call with banks. Bank overdrafts are shown as borrowings within current liabilities.

(j) **Financial liabilities and equity**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Ordinary shares are classified as equity. Incremental costs directly attributable to new shares are shown in equity as a deduction from the proceeds.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

3. Significant accounting policies (continued)

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost, any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowing using the effective interest method.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the date of the statement of financial position.

4. Critical accounting judgements and key sources of estimation uncertainty

Deferred tax asset

At the present time the directors' do not consider that there is sufficient certainty regarding the utilisation of tax losses available in the group. As a result, no deferred tax asset has been recognised.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating units to which the goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash generating unit and a suitable discount rate in order to calculate present value. The carrying amount of goodwill is the deemed cost on first time application of IFRS.

Details of the impairment review calculation are given in note 15.

Impairment of investment in subsidiary undertakings

The company holds listed investments through various subsidiary undertakings. The values of these investments have been assessed based on their current quoted market value. These values have been used to estimate the recoverable value of the subsidiary undertakings. Where the estimated recoverable value of the company's investments in these subsidiary undertakings is less than the carrying value, the investment has been written down to the estimated recoverable value.

5. Going concern

The directors have prepared financial forecasts covering the 12 months following approval of these financial statements, which show the Group can continue to carry on trading within its existing finance facilities over that period. The forecasts, however, exclude expenditure on the marketing and promotion of the Ultimate Player online platform, which is a fundamental part of the Group's plans to enable a return to profitability. If such funds cannot be raised to support this expenditure, there is significant uncertainty as to whether the Group will be able to continue to trade for the foreseeable future.

Development costs associated with the Ultimate Player platform are included as an intangible asset with a carrying value of £504,492. Without expenditure being incurred to market and promote the platform it will be difficult to generate revenues to support its carrying value as an intangible asset.

The directors are pursuing a number of options to raise the funding necessary to enable the marketing and promotion of Ultimate Player. On the assumption that the directors are able to secure sufficient funding, the directors consider 1) it appropriate to prepare the financial statements on the going concern basis, and 2) that no impairment in value is required to be reflected in the financial statements in respect of the carrying value of the intangible asset. The financial statements do not therefore include the adjustments that would result if the Company and the Group are unable to continue as a going concern or the value of the intangible asset cannot be realised.

6. Business segment analysis

Segmental information with regard to continuing and non- continuing activities is disclosed below.
All turnover, profits, losses, assets and liabilities relate to operations undertaken in the UK.

Year ended 31 December 2016

	Sports and leisure £	Social media website	Consolidated £
Revenue	1,246,888	1,602	1,248,490
Segment operating profit/(loss)	122,535	(164,256)	(41,721)
Group operating expenses*			(387,475)
Operating loss			(429,196)
Other gains and losses			-
Finance revenues less finance costs			(2,370)
Loss before taxation			(431,566)
Taxation			6,836
Loss after taxation from continuing activities			(424,730)
Discontinued activities	(158,747)		(158,747)
	(158,747)		(583,477)

Year ended 31 December 2015

	Sports and leisure £	Social media website	Consolidated £
Revenue	1,243,011	-	1,243,011
Segment operating profit/(loss)	144,677	(93,105)	51,572
Impairment of intangible assets			(383,215)
Group operating expenses*			(331,643)
Other gains and losses			55,480
Finance revenues less finance costs			(2,822)
Profit before taxation			(278,985)
Taxation			(23,334)
Profit after taxation from continuing activities			(302,319)
Discontinued activities	(77,436)		(77,436)
	(113,436)		(379,755)

* ‘Group operating expenses’ represent the costs of running the group as a whole. The directors consider that the costs of running Pantheon Leisure Plc of £54,677 (2015: £53,675) form part of these costs as opposed to forming part of the segmental costs of the sports and leisure division.

6. Business Segment analysis (continued.)

Financial position at 31 December 2016

	Sports and leisure £	Social media website £	Consolidated £
Segment assets	77,264	519,065	596,329
Non segmental assets			252,924
Consolidated total assets			849,253
Segment liabilities	197,053	19,168	216,221
Non segmental corporate liabilities			54,265
			270,486
Capital additions	4,001	134,614	
Depreciation/amortisation charges	53,406	57,089	

Financial position at 31 December 2015

	£	£	Consolidated £
Segment assets	150,215	453,407	603,622
Non segmental assets			533,816
Consolidated total assets			1,137,438
Segment liabilities	335,311	24,095	359,406
Non segmental corporate liabilities			92,524
			451,930
Capital additions	10,563	270,247	
Depreciation charge	46,181	9,306	

Unallocated assets include group cash balances of £129,437 (2015: £357,915), plant and equipment of £20,915 (2015: £48,803), goodwill of £59,954 (2015: £59,954), other assets and receivables of £42,618 (2015: £67,144). Unallocated liabilities include trade and other payables of £54,265 (2015: £36,208), hire purchase liabilities attributable to the parent company of £42,439 (2015: £56,316).

Segment assets include £6,013 (2015: £53,606) from discontinued activities. Segment liabilities include £65,937 (2015: £162,612) from discontinued activities.

7. Operating loss

The operating loss is stated after charging /(crediting):	**2016 £**	**2015 £**
Auditors' remuneration – audit services	25,840	20,200
Operating lease rentals – land and buildings	10,905	12,001
Depreciation of property, plant and equipment	53,406	46,181
Amortisation – Website development	57,089	9,306

Included in the audit fee for the group is an amount of £6,000 (2015: £3,000) in respect of the Company.
The auditors received fees of £1,250 (2015: £1,250) in respect of the provision of services in connection with advice relating to the group's interim results, and general advice.

8. (a) Staff Costs

Employee benefit costs were as follows:	Group 2016 £	Group 2015 £
Wages and salaries	1,185,972	1,172,122
Social security costs	80,716	80,516
Pension contributions	8,169	7,910
Share based payment	12,448	12,448
	1,287,305	1,272,996

The average numbers of employees, including directors during the year, was as follows:-

	No.	No.
Administration, sales and coaching staff	80	85

(b) Directors' remuneration

An analysis of directors' remuneration (who are the key management personnel) is set out below:	2016 £	2015 £
Salary and consultancy fees	106,951	173,585
Executive directors:		
Salaries and benefits	63,951	87,585
Consultancy fees	30,500	61,000
	94,451	148,585
Non-executive directors:		
Salaries and benefits	8,750	17,500
Consultancy fees	3,750	7,500
	12,500	25,000

Directors consultancy fees comprise:	2016 £	2015 £
G Simmonds and Simmonds & Co	22,500	45,000
D Hillel	8,000	16,000
D J Coldbeck	3,750	7,500
	34,250	68,500

The total cost of key management personnel being the executive directors and including employers' national insurance was £98,002 (2015: £151,889).

The following amounts were paid for the services of the directors in the year:	2016 £ Salaries and benefits	2016 £ Consultancy	2016 £ Total	2015 £ Total
R L Owen	41,403	-	41,403	63,318
G Simmonds	22,548	22,500	45,048	69,267
D Hillel	-	8,000	8,000	16,000
J Zucker	6,250	-	6,250	12,500
D J Coldbeck	2,500	3,750	6,250	12,500
	72,701	34,250	106,951	173,585

Consultancy fees in respect of G Simmonds were paid to Simmonds & Co.

9. Finance income

	2016 £	2015 £
Interest revenue – bank deposits	102	250
Dividends received	1,500	900
	1,602	1,150

10. Finance costs

	2016 £	2015 £
Interest on obligations under hire purchase agreements	3,972	3,972

11. Other gains and losses

	2016 £	2015 £
Profit on disposal of available for sale investments	-	55,480

12. Taxation

	2016 £	2015 £
Deferred tax charge/(credit)		
Origination and reversal of temporary differences	618	23,334
Total deferred tax charge/(credit)	618	23,334
Research and development tax credits	(7,454)	-
Tax (credit)/charge in income statement	(6,836)	23,334

No income tax charge arises based on the loss for the year (2015: nil).

The group has unutilised tax losses of £7,315,000 (2015: £6,842,000) which includes £2,982,000 (2015: £2,724,000) in relation to the company's subsidiary undertakings. Where it is anticipated that future taxable profits will be available to utilise these losses a deferred tax asset or a reduction in deferred tax liability is recognised as appropriate. Tax losses available in the parent company are available for offset only against income and gains of that company.

Factors affecting the tax charge in the year

	2016 £	2015 £
(Loss)/profit on ordinary activities before taxation	(590,313)	(356,421)
Loss on ordinary activities before taxation at the standard rate of UK corporation tax of 20% (2015: 20.25%)	(118,063)	(72,175)
Effects of:		
Expenses not deductible for tax purposes	3,016	2,521
Dividend income	(300)	(182)
Temporary differences in respect of depreciation and capital allowances not reflected in deferred tax	21,140	7,804
Unutilised tax losses not recognised as a deferred tax asset	94,207	62,032
Adjustment on available-for-sale investments	618	23,334
Research and development tax credits	(7,454)	-
Tax charge/(credit)	(6,836)	23,334

12. Taxation (cont.)

In recognition of the effects on taxation arising from the revaluation of the group's available-for-sale investments, a deferred tax adjustment to the provision by £618 (2015: £23,334) has been made and reflected as an adjustment to equity. During the year claims for tax credits in relation to research and development costs were made giving rise to cash credits of £7,454. These claims related to expenditure incurred to December 2014.

13. Loss per share

Basic loss per share has been calculated on the group's loss attributable to equity holders of the parent company of £566,581 (2015: £377,424) and on the weighted average number of shares in issue during the year, which was 17,809,583 (2015:14,302,364).

Comprehensive loss per share is based on the same number of shares and on the comprehensive loss for the year attributable to the equity holders in the parent company of £569,238 (2015: £368,643).

In view of the group loss for the year, share warrants and options to subscribe for ordinary shares in the company are anti-dilutive and therefore diluted earnings per share information is not presented. There are options outstanding at 31 December 2016 on 577,500 ordinary shares.

14. Loss for the financial year

As permitted by Section 400 of the Companies Act 2006, the profit and loss account for the company is not presented as part of these financial statements.

The consolidated loss for the year of £583,477 (2015: loss: £379,755) includes a loss of £294,214 (2015: loss £494,573) dealt with in the accounts of the company.

15. Goodwill, intangibles and development costs

	2016	**2015**
	£	**£**
Cost at 1 January	496,327	226,077
Additions in the year	134,614	270,250
Cost at 31 December	630,941	496,327
Amortisation at 1 January	9,306	-
Charged in the year	57,089	9,306
Amortisation at 31 December	66,395	9,306
Carrying value at 31 December	564,546	487,021

Goodwill of £59,954 included above relates to the acquisition of Pantheon Leisure Plc which is included at its deemed cost on first time application of IFRS.

The Group acquired £100 of intangible assets in 2013 at the time of acquisition of a subsidiary.

Goodwill acquired in a business combination is allocated, at acquisition, to cash generating units ("CGUs") that are expected to benefit from that business combination. The carrying amount of goodwill relates wholly to the leisure activities business segment.

The recoverable amounts of the CGUs are determined from value in use calculations. The key assumptions for the value in use calculations are those regarding forecast revenues and operating costs. Management have taken into account the following two elements:

(i) Based on current enquiries into the Sport in Schools activities, revenues will continue to grow in 2017 and 2018; and

(ii) Operational costs are monitored and controlled.

Development costs

During the year, subsidiary undertakings incurred costs developing the sports related social media website totalling £134,614 (2015: £270,250).

16. Investments in Subsidiaries

Company	2016	2015
	£	£
Cost of shares	1,947,932	1,900,932
Loan notes	220,000	220,000
At 31 December	2,167,932	2,120,932
Impairment		
At 1 January	1,550,596	1,424,061
Increase of provision in year	10,765	126,535
At 31 December	1,561,361	1,550,596
Carrying value at 31 December	606,571	570,336

Included in investments is £220,000 of loan notes which carry an interest coupon of 7.5% and are repayable on demand at par.

The following companies were subsidiaries at the balance sheet date and the results and year end position of these companies has been included in these consolidated financial statements.

Subsidiary undertakings	Description and proportion of share capital owned	Country of incorporation or registration	Nature of business
Westside Acquisitions Limited	Ordinary 100%	England & Wales	Holding company
Reverse Take-Over Investments Limited *	Ordinary 100%	England & Wales	Acquisition and development of shell companies
Westsidetech Limited	Ordinary 100%	England & Wales	Dormant
Westside Mining Plc	Ordinary 100%	England & Wales	Investment - inactive
Westside Sports Limited	Ordinary 100%	England & Wales	Holding company
Ultimate Player Limited	Ordinary 100%	England & Wales	Social media website
Football Data Services Limited	Ordinary 100%	England & Wales	Website data services
FootballFanatix Limited	Ordinary 100%	England & Wales	Social media website
Pantheon Leisure Plc **	Ordinary 85.87%	England & Wales	Holding company
Sport in Schools Limited ***	Ordinary 85.87%	England & Wales	Sports coaching in schools
Football Partners Limited ***	Ordinary 85.87%	England & Wales	Small sided football leagues
The Elms Group Limited	Ordinary 85.87%	England & Wales	Non trading
Footballdirectory.co.uk Limited	Ordinary 85.87%	England & Wales	Dormant

* $33^{1}/_{3}$% held indirectly through Westside Acquisitions Limited
** held indirectly through Westside Sports Limited
*** held indirectly through Pantheon Leisure Plc

17. Property, plant and equipment

Group	Plant and equipment £	Motor Vehicles £	Total £
Cost			
At 1 January 2015	133,879	83,662	217,541
Additions	10,563	-	10,563
Disposals	-	-	-
Cost at 31 December 2015	144,442	83,662	228,104
Additions	4,001	-	4,001
Disposals	-	-	-
At 31 December 2016	148,443	83,662	232,105
Depreciation			
At 1 January 2015	93,976	6,972	100,948
Charge for the year	18,293	27,888	46,181
Disposals	-	-	-
At 31 December 2015	112,269	34,860	147,129
Charge for the year	25,518	27,888	53,406
Disposals	-	-	-
At 31 December 2016	137,787	62,748	200,535
Carrying value			
At 31 December 2016	10,656	20,914	31,570
At 31 December 2015	32,173	48,802	80,975

Company	Plant and equipment £	Motor Vehicles £	Total £
Cost			
At 1 January 2015	1,848	83,662	85,510
Additions	-	-	-
Disposals	-	-	-
Cost at 31 December 2015	1,848	83,662	85,510
Additions	-	-	-
Disposals	-	-	-
At 31 December 2016	1,848	83,662	85,510
Depreciation			
At 1 January 2015	1,847	6,972	8,819
Disposals	-	-	-
Charge for year		27,888	27,888
At 31 December 2015	1,847	34,860	36,707
Disposals	-	-	-
Charge for the year		27,888	27,888
At 31 December 2016	1,847	62,748	64,595
Carrying value			
At 31 December 2016	1	20,914	20,915
At 31 December 2015	1	48,802	48,803

The company was party to hire purchase agreements in respect of its motor vehicles during the year. Depreciation charged on assets subject to hire purchase agreements in the year was £27,888 (2015: £27,888). The net book value of these assets at the end of the year was £20,914 (2015: £48,802).

18. Available-for-sale investments

The group holds the following investments which are stated at fair value:

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Investments admitted to trading on AIM:				
Current assets				
Aeorema Communications Plc	7,650	9,675	-	-
SigmaRoc Plc	18,348	19,598	1,688	1,688
Total	25,998	29,273	1,688	1,688

The group has not designated any investments as financial assets at fair value through profit or loss.

Details of investment held at 31 December were:-

Aeorema Communications Plc:

30,000 ordinary shares in Aeorema Communications Plc ('Aeorema') representing 0.37% of Aeorema's issued share capital. There were no sales or purchases in the year.
At 26 June 2017, the market bid price was 25p per share valuing the group's holding of 30,000 Aeorema shares at £7,500.

SigmaRoc Plc (formerly Messaging International Plc)

In August 2016, following the disposal of its subsidiary, SigmaRoc Plc (formerly Messaging International Plc) a new venture commenced under new management. In January 2017, the company undertook a share consolidation, whereby every 104 existing ordinary shares were consolidated into 1 new ordinary share, The group's holding of 86,193 new shares represents 0.08% of the shares in issue.

At 26 June 2017, the market bid price was 40p per share valuing its holding in SigmaRoc shares at £34,477.

19. Receivables and loan notes

Non-current assets

Company

In 2016, amounts due within one year included £220,000 of loan notes (2015 - £220,000). The loan notes are convertible into 50 million new shares in Pantheon Leisure Plc (the borrower) at any time before redemption. The loan notes carry an interest coupon of 7.5% and are repayable on demand at par.

Pantheon Leisure Plc is a subsidiary undertaking of Ultimate Sports Group Plc.

The loan notes are included in investments.

Non-current assets (cont.)
Group

The group has no receivables and loan notes classified as non-current assets.

Current assets

	Group		Company	
	2016	**2015**	**2016**	**2015**
	£	**£**	**£**	**£**
Trade receivables	41,763	71,973	-	-
Other receivables	34,612	59,202	5,364	25,973
Amounts due from subsidiary undertakings	-	-	955,667	647,992
Prepayments and deferred expenditure	21,327	51,079	10,962	11,603
	97,702	182,254	971,993	685,568

The average credit period given for trade receivables at the end of the year is 9 days (2015:16 days). Trade receivables are stated net of a provision for irrecoverable amounts of £Nil (2015: £Nil).

Amounts due from subsidiary undertakings are stated net of provisions for irrecoverable amounts which total £576,722 (2015: £548,332).

The total charge in the year in respect of irrecoverable receivables in the group accounts was £Nil (2015: £Nil).

As at 31 December, the ageing analysis of trade receivables is as follows:

	Total	Due but not impaired		
	£	**£**	**£**	**£**
		<3 months	**3 – 6 months**	**>6 months**
2016	41,763	41,763	-	-
2015	71,973	71,973	-	-

20. Trade and other payables

	Group		Company	
	2016	**2015**	**2016**	**2015**
	£	**£**	**£**	**£**
Trade payables	29,102	60,145	-	-
Other payables	48,263	91,480	-	-
Taxes and social security	71,960	107,746	-	-
Amounts due to subsidiary undertakings	-	-	273,573	209,573
Accruals and deferred income	73,222	125,743	9,500	31,508
	222,547	385,114	283,073	241,081

The average credit period taken for trade payables at the end of the year is 12 days (2015: 29 days).

21 Bank overdraft

Sport in Schools Limited and Football Partners Limited have bank overdraft facilities of £50,000 and £20,000 respectively which are secured by guarantees of up to £50,000 and £20,000 for each company given by Ultimate Sports Group Plc. Both overdrafts are repayable on demand.

22. Deferred tax

The following are the deferred tax liabilities and assets recognised by the group and movements during the current and previous year:

Deferred tax liabilities (Restated)	**Fair value gains £**	**Tax losses offset £**	**Total £**
At 1 January 2015	23,621	(23,621)	-
Charged in the income statement	-	23,334	(23,334)
Credited directly to equity	(23,334)	-	23,334
At 31 December 2015	287	(287)	-
Charged in the income statement		618	(618)
Credited directly to equity	(618)		618
At 31 December 2016	(331)	331	-

Unutilised tax losses available for offset against future fair value gains are deducted in computing net deferred tax liabilities.

23. Borrowings

	Group 2016 £	**Group 2015 £**	**Company 2016 £**	**Company 2015 £**
Due within one year				
Interest free loans	3,500	5,000	-	-
Hire purchase finance	13,877	13,877	13,877	13,877
Total due within one year	17,377	18,877	13,877	13,877
Due after more than one year				
Interest free loans	2,000	5,500	-	-
Hire purchase finance	28,562	42,439	28,562	42,439
Total due after more than one year	30,562	47,939	28,562	42,439
Total borrowings	47,939	66,816	42,439	56,316

24. Issued share capital

Shares of 10p each	Number of shares	£
At 1 January 2015	14,261,638	1,426,164
Shares issued in the year	1,000,000	100,000
At 1 January 2016	15,261,638	1,526,164
Shares issued in the year	5,225,000	522,500
At 31 December 2016	20,486,638	2,048,664

In June 2016, the company raised £500,000 before costs from a placing at a price of 10p per share resulting in the issue of a further 5,000,000 shares of 10p each.

In September 2016, the company issued a further 225,000 shares at 10p per share in consideration of £22,500 of development expenditure.

At 31 December 2016 the company's issued shares carry no rights to fixed income.

Share options and warrants

On 17 January 2011 the company adopted an unapproved share option scheme details of which are given in note 27.
To date the company has granted 577,500 to key executives and employees engaged in the development of the social network. At the year end and at the date of this report there are 392,500 options to acquire ordinary share.

The market price of the company's shares at 31 December 2016 was 12.50p and the price range during the financial year was 12.5p and 22.5p.

25. Financial commitments

The group is committed to making the following future minimum lease payments under non-cancellable operating leases which fall due as follows:

	2016 £	2015 £
Within one year		
Land and buildings	14,091	12,001
Between two and five years		
Land and buildings	49,732	45,499
After five years		
Land and buildings	46,189	52,500
	110,012	110,000

26. Statement of changes in equity

Retained earnings represent the cumulative retained profit or loss of the group.

Share premium is the amount subscribed for share capital in excess of nominal value and is a capital reserve required by UK company law.

The merger reserve is a non-statutory reserve and represents the difference between the fair value and nominal value of the shares exchanged for shares on acquisition of Reverse Take-Over Investments Plc which took place in 2003.

The fair value reserve represents the cumulative surplus and deficits on recognition of available-for-sale investments at fair value, less tax attributable to the net surplus.

No dividend was paid during the year (2015: Nil).

27. Post balance sheet events

Since the year end, the company raised a further £212,500 on 29 March 2017 by the issue of 2,125,000 ordinary shares at 10p per share. There are no other post balance sheet events to be disclosed by way of note.

28. Related parties

Details of the remuneration of directors are given in note 8. In addition to the information given in that note, the following provides further details of related party transactions involving the company and its directors.

The directors are considered to be the key management personnel of the group.

Simmonds & Co

The group made payments of £35,080 [excluding VAT] (2015 £31,200) as contributions towards office and secretarial costs to Simmonds & Co, Chartered Accountants, a practice in which G Simmonds is sole proprietor.

29. Share-based payment transaction

At the date of this report, 577,500 share options have been granted to employees or key executives involved in the group's trading operations.

These include:-

Share options to acquire 210,000 shares were originally awarded in 2011 and amended in 2012.

Share options to acquire 367,500 shares were awarded to employees and key executives in 2014.

Options are valued using the Black-Scholes option pricing model. The fair value per option granted and the assumptions used in the calculation are as follows:

Grant date	17 January 2011	6 March 2014	30 April 2014
Share price at grant date	25p per share	27.5p per share	27.5p per share
Exercise price	25p per share	27.5p per share	27.5p per share
Shares under option	210,000	167,500	200,000
Expected volatility	17.0%	20.9%	20.9%
Option life (years)	10 years	7 Years	7 Years
Expected life (years)	10 Years	7 Years	7 Years
Risk-free interest rate	2.0%	2.0%	2.0%
Fair value per option	0.4p	0.07p	0.07p
Annual charge under IFRS 2	£8,970	£1,586	£1,892

In accordance with IFRS2, the fair value of the share options issued and recognised as a charge in the accounts for the year is £12,448 (2015 - £12,448).
In arriving at the above:-
The expected volatility is based on historical volatility, the expected life is the average expected period to exercise and the risk-free rate of return is the yield on a zero-coupon UK government bond for a term consistent with the assumed option life.
At the date of this report there remained share options to acquire 392,500 shares in place.

30. Capital management and financial instruments

The group is mainly equity funded which together with interest free loans and hire purchase borrowings totalling £47,939 represent the group's capital.

The group's objectives when maintaining capital are:

- To safeguard the entity's ability to continue as a going concern, so that it can begin to provide returns for shareholders and benefits for other stakeholders; and
- To provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The group sets the amounts of capital it requires in proportion to risk. The group manages its capital structure and makes adjustments to it in light of changes in economic conditions and risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Capital for the group comprises all components of equity – share capital of £2,048,664 (2015: £1,526,164), share premium of £393,454 (2015: £401,039), other reserves of £324,077 (2015: £326,734), the retained deficit of £2,123,512 (2015: £1,569,380) and debts which comprises loans of £5,500 (2015: £10,500) and hire purchase commitments of £42,439 (2015: £56,316).

During the year ended 31 December 2016 the group's strategy was to preserve net cash resources by limiting cash absorbed from losses and through good cash management.

30. Capital management and financial instruments (continued)

Financial assets and financial liabilities are recognised in the group's balance sheet when the group becomes a party to the contractual provision of the instrument.

At 31 December 2016 and 31 December 2015, there were no material differences between the fair value and the book value of the group's financial assets and liabilities other than the interest free loan which has a carrying value of £5,500 and a fair value of approximately £4,000. Relevant financial assets and liabilities are set out below.

	Group		Company	
	2016	**2015**	**2016**	**2015**
	£	**£**	**£**	**£**
Financial assets				
Available-for-sale investments	25,998	29,273	1,688	1,688
Cash and cash equivalents	129,437	357,915	175,789	209,296
Due from subsidiary undertakings	-	-	955,667	647,992
Trade and other short term receivables	53,615	102,696	-	-
	209,050	489,884	1,133,144	858,976
Financial liabilities (which are included at amortised cost)				
Trade and other short term payables	77,365	151,625	-	18,316
Due to subsidiary undertakings	-	-	273,573	209,573
Hire purchase obligations	42,439	56,816	42,439	56,316
Loans	5,500	10,500	-	-
	125,304	218,941	316,012	284,205

The group's financial instruments comprise available-for-sale investments, cash and cash equivalents, receivables, payables, loans and hire purchase obligations that arise directly from its operations.

Amounts shown in trade and other short term receivables exclude prepayments and deferred expenditure for the group of £21,327 (2015: £51,079) and vat recoverable of £22,760 (2015: £28,479) for the group and £10,962 (2015: £35,303) of short term receivables and vat recoverable of £5,364 (2015: £2,273) for the company.

Trade and short term payables exclude deferred income and accruals of £73,222 (2015: £125,743), tax and social security creditors of £71,960 (2015: £107,746) company for tax and accruals - £9,500 (2015: £13,192).

The group has not adopted a policy of using financial derivatives and does not rely on the use of interest rate hedges.

In common with other businesses, the group is exposed to risks that arise from its use of financial instruments. There have been no substantive changes to the group's response to financial instrument risk and the methods used to measure them from previous periods.

The main risks arising from the group's financial instruments are market, credit and liquidity risks.

Market risk arises mainly from uncertainty about future prices of available-for-sale investments held by the group. The board monitors movements in the carrying value of its investments on a regular basis. A 20% increase or decrease in the market value of investments would impact on the carrying value of investments by £5,200.(2015: £5,000) Results are not sensitive to changes in interest rates unless the change was significant.

Credit risk arises from trade receivables where the party fails to discharge their obligation in relation to the instrument. To minimise this risk, management have appropriate credit assessment methods to establish credit worthiness of new customers and monitor receivables by regularly reviewing aged receivable reports. There is no concentration of credit risk other than in respect to cash held on deposit at the company's bank as set out above.

30. Capital management and financial instruments (continued)

The amount exposed to risk in respect of trade receivables at 31 December 2016 was £41,763 (2015: £71,973).

Liquidity risk arises in relation to the group's management of working capital and the risk that the company or any of its subsidiary undertakings will encounter difficulties in meeting financial obligations as and when they fall due. To minimise this risk the liquidity position and working capital requirements are regularly reviewed by management.

The directors do not consider changes in interest rates have a significant impact on the group's cost of finance or operating performance.

As the group's operations are conducted in the United Kingdom, risks associated with foreign currency fluctuations are not relevant.

31. Notes to statements of cash flows

a) Analysis of net funds

	At 1 January 2016 £	Cash Flow £	Non-cash movements £	At 31 December 2016 £
Group				
Cash and cash equivalents	357,915	(228,478)	-	**129,437**
Borrowings	(66,816)	18,877	-	**(47,939)**
Net funds	291,099	(209,601)	-	**81,498**
Company				
Cash and cash equivalents	209,296	(33,507)	-	**175,789**
Borrowings	(56,316)	13,877	-	**(42,439)**
Net funds	152,980	(19,630)	-	**133,350**

(b) Reconciliation of net cash flow to movement in net funds

	Group £	Company £
(Decrease) in cash and cash equivalents in the year	(228,478)	(33,507)
Cash inflow from new borrowings	-	-
Cash outflow on borrowings repaid in the year	18,877	13,877
Movement in net funds/(debt)	(209,601)	(19,630)

31. Notes to statements of cash flows (Cont.)

(c) Statement of cash flows from discontinued activities

	2016	2015
	£	£
Cash flow from discontinued activities		
Loss before tax	(158,747)	(77,437)
Adjustments for:		
Depreciation and impairment of fixed assets	15,530	5,477
Movements in working capital		
Decrease in debtors	47,593	22,398
Increase in creditors	101,229	48,989
Cash generated/(absorbed) from operations	5,605	(573)
Investing activities		
Purchase of tangible assets	-	(2,918)
Net cash used in investing activities	-	(2,918)
Financing activities		
Repayment of borrowings	(2,000)	(2,000)
Net cash used in financing activities	(2,000)	(2,000)
Net cash increase/(decrease) in cash and cash equivalents	3,605	(5,491)
Cash and cash equivalents at the beginning of the year	(26,039)	(20,548)
Cash and cash equivalents at the end of the year	**(22,434)**	**(26,309)**

Ultimate Sports Group Plc
(the "Company")
(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 03882621)

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at the Hellenic Centre 16/18 Paddington Street, London W1U 5AS on 30 August 2017 at 11.00am for the transaction of the following business.

Ordinary Business

To consider, and, if thought fit, pass the following resolutions which will be proposed as Ordinary Resolutions:

1. To receive and adopt the financial statements of the Company for the year ended 31 December 2016 with the Directors' and auditors' report thereon.

2. To re-appoint G Simmonds as a Director of the Company, who retires by rotation in accordance with Article 23 of the Company's Articles of Association.

3. To re-appoint Hazlewoods LLP, Chartered Accountants, as auditors to the Company and to authorise the Directors to agree and fix their remuneration.

Special Business

To consider, and, if thought fit, pass the following resolutions which will be proposed as to Resolution 4 as an Ordinary Resolution and as to Resolution 5 as a Special Resolution:

4. THAT the Directors of the Company be generally and unconditionally authorised pursuant to and in accordance with section 551 of the Act 2006 (the "Act") to exercise all the powers of the Company to allot shares in the Company and/or to grant rights to subscribe for, or to convert any security into, shares in the Company ("Rights") provided that such power is limited to the allotment of shares in the Company and/or the grant of Rights up to an aggregate nominal amount of £1,000,000 provided that this authority shall expire at the end of the next annual general meeting of the Company to be held after the date of the passing of this Resolution or, if earlier, fifteen months from the date of the passing of this Resolution save that the Company may prior to the expiry of such period make any offer or agreement which would or might require shares in the Company to be allotted and/or Rights to be granted after such expiry and the Directors of the Company shall be entitled to allot shares in the Company and/or to grant Rights pursuant to any such offer or agreement as if this authority had not expired.

5. THAT, the exercise price attributable to all employee share options be changed from exercise prices agreed at the date the share options were granted to 10p/12.5p per share for each share option.

6. THAT, subject to the passing of Resolution 4 above, the Directors of the Company be empowered pursuant to section 570 of the Act to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority conferred on them by Resolution 4 above, as if section 561 of the Act did not apply to such allotment provided this power shall be limited to the allotment to any person or persons of equity securities up to an aggregate nominal amount of £1,000,000 provided that the power given by this Resolution shall expire at the end of the next annual general meeting of the Company to be held after the date of the passing of this Resolution or, if earlier, fifteen months from the date of the passing of this Resolution, save that the Directors of the Company shall be entitled to make offers or agreements before the expiry of such power which would or might require equity securities to be allotted after such expiry and the Directors of the Company shall be entitled to allot equity securities pursuant to any such offers or agreements as if the power conferred hereby had not expired.

By order of the Board

D Hillel Company Secretary

28 June 2017

Registered Office:
30 City Road
London EC1Y 2AB

Notes:

1. **A member entitled to attend and vote at the above meeting is entitled to appoint a proxy or proxies to attend, speak and vote instead of him. A proxy may demand, or join in demanding, a poll. A proxy need not be a member of the Company.**

2. A Form of Proxy is enclosed for your use if desired. The instrument appointing a proxy must reach the Company's Registrars, Share Registrars Limited at The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR not less than 48 hours (excluding non-working days) before the time of holding of the meeting.

3. Pursuant to Regulation 41 of The Uncertificated Securities Regulations 2001 and paragraph 18(c) of The Companies Act 2006 (Consequential Amendments) (Uncertificated Securities) Order 2009, the Company specifies that only those members registered on the Company's register of members 48 hours before the time of the Meeting shall be entitled to attend and vote at the Meeting. In calculating the period of 48 hours mentioned above no account shall be taken of any part of a day that is not a working day Changes to the register of members after that time will be disregarded in determining the rights of any person to attend or vote at the meeting.

4. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

5. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, you should contact Share Registrars Limited of The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR.

6. In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

7. Except as provided above, members who have general queries about the meeting should telephone Share Registrars Limited on 01252-821390 (no other methods of communication will be accepted). You may not use any electronic address provided either in this notice of annual general meeting or any related documents (including the chairman's letter and the form of proxy) to communicate with the Company for any purposes other than those expressly stated.

8. A copy of the Register of Directors' Interests in shares in the Company and copies of the Directors' service contracts of more than one year's duration will be available for inspection at the registered office of the Company during business hours only on any weekday (excluding Saturdays, Sundays and public holidays) from the date of this notice until the date of the meeting and at the place of the meeting for at least 15 minutes prior to and during the meeting.

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Form of Proxy

Ultimate Sports Group Plc

(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 03882621)

(the "Company")

For use at the Annual General Meeting of the above named company to be held at the Hellenic Centre 16/18 Paddington Street, London W1U 5AS on 30 August 2017 at 11.00am.

I/We (name(s) in full) …………………………………………………………………………………...
(BLOCK LETTERS)

of ……
being (a) holder(s) of ordinary shares of 10p each in Ultimate Sports Group Plc hereby appoint the Chairman of the meeting/or

*………
as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on 30 August 2017, and at every adjournment thereof. I/We wish my/our proxy to vote as shown below in respect of the resolutions set out in the notice of the Annual General Meeting.

Ordinary Resolutions	**For**	**Against**	**Vote Withheld****
1. To receive and adopt the financial statements of the Company for the year ended 31 December 2016 with the Directors' and auditors' report thereon.			
2. To re-appoint G Simmonds as a Director of the Company, who retires by rotation in accordance with Article 23 of the Company's articles of association.			
3. To re-appoint Hazlewoods LLP, Chartered Accountants, as auditors to the Company and to authorise the Directors to agree and fix their remuneration.			
4. To authorise the Directors generally and unconditionally to allot shares and/or to grant rights to subscribe for or to convert any security into shares in accordance with Section 551 of the Companies Act 2006, subject to certain specified limitations.			
5. To change the exercise price attributable to all employee share options from exercise prices agreed at the date the share options were granted to 10p/12.5p per share for each share option.			
Special Resolution			
6. To authorise the Directors to dis-apply the statutory rights of pre-emption in relation to certain allotments of equity securities, subject to certain limitations.			

*You may, if you wish, in the space provided insert the name(s) of the person(s) of your choice to attend and vote at the meeting on your behalf

**Please note that if the "Vote Withheld" box is marked with a "X", the Shareholder will not be counted in the calculation of votes "For" and "Against" and the Shareholder will not be taken to have given his/her/their discretion to the Proxy, on how to vote.

Signature………………………………… Date…………………………………….

Notes

1. **A member entitled to attend and vote at the meeting is also entitled to appoint a proxy or proxies to exercise all or any of his rights to attend, speak and vote at the meeting instead of him. A proxy may demand, or join in demanding, a poll. A proxy need not be a member of the Company.**

2. Completion and return of the form of proxy will not preclude ordinary shareholders from attending or voting at the meeting, if they so wish.

3. To be effective, this proxy form must be lodged with the Company's Registrars, Share Registrars Limited by post at The Courtyard,17 West Street, Farnham, Surrey GU9 7DR not later than 48 hours (excluding non-working days) before the time of the meeting, or any adjournment thereof, together, if appropriate, with the power of attorney or other authority (if any) under which it is signed or a notarial certified copy of such power or, where the proxy form has been signed by an officer on behalf of a corporation, a notarial certified copy of the authority under which it is signed.

4. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior). Any alterations made in this proxy should be initialled.

5. In the case of a member which is a corporation this proxy form must be given under its common seal or be signed on its behalf by an attorney or officer duly authorised. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

6. Pursuant to Regulation 41 of The Uncertificated Securities Regulations 2001 and paragraph 18(c) of The Companies Act 2006 (Consequential Amendments) (Uncertificated Securities) Order 2009, the Company specifies that only those members registered on the Company's register of members 48 hours before the time of the Meeting shall be entitled to attend and vote at the Meeting. In calculating the period of 48 hours mentioned above no account shall be taken of any part of a day that is not a working day. Changes to entries on the relevant register of members after that time shall be disregarded in determining the rights of any person to attend or vote at the meeting.

7. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares, You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, you will need to complete a separate proxy form in relation to each appointment. Please contact Share Registrars Limited for the purpose of requesting additional proxy forms. You will need to state clearly on each proxy form how many shares the proxy was appointed in relation to. A failure to specify the number of shares each proxy appointment relates to or specifying a number of shares in excess of those held by the member will result in the proxy appointment being invalid.

8. Except as provided above, members who have general queries about the meeting should telephone Share Registrars Limited on 01252-821390 (no other methods of communication will be accepted). You may not use any electronic address provided either in this notice of annual general meeting or any related documents (including the chairman's letter and the directors' letter and explanatory note in respect of electronic communications) to communicate with the Company for any purposes other than those expressly stated.