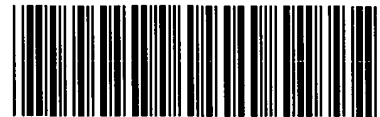

THE SPORT ENTERTAINMENT & MEDIA GROUP LIMITED

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

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COMPANIES HOUSE

THE SPORT ENTERTAINMENT & MEDIA GROUP LIMITED

COMPANY INFORMATION

DIRECTORS

J Anderson (resigned 17 September 2013)
P Grothe
P Huber (resigned 4 December 2014)

REGISTERED NUMBER

04155991

REGISTERED OFFICE

Eighth Floor
6 New Street Square
London
EC4A 3AQ

INDEPENDENT AUDITOR

Rawlinson and Hunter Audit LLP
Chartered Accountants & Statutory Auditor
Eighth Floor
6 New Street Square
New Fetter Lane
London
EC4A 3AQ

THE SPORT ENTERTAINMENT & MEDIA GROUP LIMITED

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THE SPORT ENTERTAINMENT & MEDIA GROUP LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

The director presents his report and the financial statements of The Sport Entertainment & Media Group Limited ("the company") for the year ended 31 December 2013.

DIRECTOR'S RESPONSIBILITIES STATEMENT

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The director is responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Director's Reports may differ from legislation in other jurisdictions.

PRINCIPAL ACTIVITY

The company is a holding company which provides management services to its subsidiaries.

DIVIDENDS

No dividend was declared during the year (2012 - £Nil).

DIRECTORS

The directors who served during the year and subsequently were:

J Anderson (resigned 17 September 2013)

P Grothe

P Huber (resigned 4 December 2014)

THE SPORT ENTERTAINMENT & MEDIA GROUP LIMITED

**DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2013**

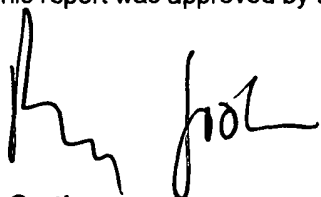
PROVISION OF INFORMATION TO AUDITOR

The director at the time when this Director's Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information.

In preparing this report, the director has taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



P Grothe
Director

Date:

25/1/2016

THE SPORT ENTERTAINMENT & MEDIA GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SPORT ENTERTAINMENT & MEDIA GROUP LIMITED

We were engaged to audit the financial statements of The Sport Entertainment & Media Group Limited ("the company") for the year ended 31 December 2013, which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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

RESPECTIVE RESPONSIBILITIES OF DIRECTOR AND AUDITOR

As explained more fully in the Director's Responsibilities Statement, the director is 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 and express an opinion on 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. Because of the matters described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

SCOPE OF THE AUDIT OF THE 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 company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Director's Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently 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 material misstatements or inconsistencies we consider the implications for our report.

BASIS FOR DISCLAIMER OF OPINION ON FINANCIAL STATEMENTS

In seeking to form an opinion on the financial statements we considered the implications of the significant uncertainties disclosed in Note 1 to the financial statements concerning the following matters:

- The contingent liabilities disclosed in Note 10 to the financial statements.
- The current position and future prospects of the company's trading subsidiary, Jerome Anderson Management Limited ("JAML"), are subject to a number of significant uncertainties as disclosed in Note 1 to the financial statements. These include a creditor claim against JAML, legal claims by JAML against two third parties, uncertainty over the amount and timing of future revenues and a potential contingent liability.
- On 20 November 2015, the director issued Form 2.8B "Notice of Intention to Appoint an Administrator by Company or Director(s)" under Rule 2.20 of the Insolvency Rules 1986 to the company.

THE SPORT ENTERTAINMENT & MEDIA GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SPORT ENTERTAINMENT & MEDIA GROUP LIMITED

There is potential for the uncertainties to interact with one another such that we have been unable to obtain sufficient appropriate audit evidence regarding the company's going concern status and hence the possible effect of the uncertainties taken together on the company's assets and liabilities.

DISCLAIMER OF OPINION ON FINANCIAL STATEMENTS

Because of the significance of the possible impact of the uncertainties, described in the Basis for Disclaimer of Opinion on Financial Statements paragraph, to the financial statements, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly we do not express an opinion on the financial statements.

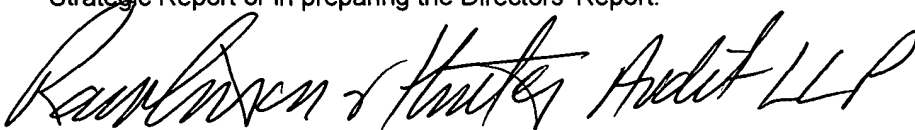
OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

Notwithstanding our disclaimer of an opinion on the financial statements, in our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Directors' Report.


Christopher Bliss (Senior statutory auditor)

for and on behalf of
Rawlinson and Hunter Audit LLP

Chartered Accountants
Statutory Auditor

Eighth Floor
6 New Street Square
New Fetter Lane
London
EC4A 3AQ

Date:

25 January 2016

THE SPORT ENTERTAINMENT & MEDIA GROUP LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Note	2013 £	2012 £
TURNOVER	1	65	-
Administrative expenses		<u>(189,366)</u>	<u>(51,390)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	2	(189,301)	(51,390)
Tax on loss on ordinary activities	3	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR	9	<u><u>(189,301)</u></u>	<u><u>(51,390)</u></u>

The notes on pages 7 to 13 form part of these financial statements.

THE SPORT ENTERTAINMENT & MEDIA GROUP LIMITED
REGISTERED NUMBER: 04155991

BALANCE SHEET
AS AT 31 DECEMBER 2013

	Note	£	2013 £	£	2012 £
FIXED ASSETS					
Tangible fixed assets	4		15,887		28,062
Investments	5		<u>50,098</u>		<u>50,098</u>
			65,985		78,160
CURRENT ASSETS					
Debtors	6	416,095		490,262	
Cash at bank		<u>-</u>		<u>102,784</u>	
		416,095		593,046	
CREDITORS: amounts falling due within one year	7	<u>(9,171)</u>		<u>(8,996)</u>	
NET CURRENT ASSETS			<u>406,924</u>		<u>584,050</u>
NET ASSETS			<u>472,909</u>		<u>662,210</u>
CAPITAL AND RESERVES					
Called up share capital	8		3,410,087		3,410,087
Profit and loss account	9		<u>(2,937,178)</u>		<u>(2,747,877)</u>
SHAREHOLDERS' FUNDS - ALL EQUITY			<u>472,909</u>		<u>662,210</u>

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

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


P Grothe
 Director

Date:

25/1/2016

The notes on pages 7 to 13 form part of these financial statements.

THE SPORT ENTERTAINMENT & MEDIA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The company is the parent undertaking of a small group and as such is not required by the Companies Act 2006 to prepare group accounts. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.2 Going concern

The company made a loss before taxation of £189,301 in the year ended 31 December 2013 and, is reliant on funding from group undertakings. Despite these factors, the financial statements have been prepared on a going concern basis on the assumption that the company will continue in operational existence for the foreseeable future.

The director has reached this assessment on the basis that the company has minimal external liabilities which he is confident can be met from the company's own resources or through the financial assistance of the company's subsidiary undertaking, Jerome Anderson Management Limited ("JAML"). Therefore the director considers that the company has sufficient financial resources to continue in operation for the foreseeable future.

However, in making this assessment, the director is cognisant of the contingent liabilities disclosed in Note 10, particularly in light of his knowledge that JAML has experienced financial difficulties over the last two years and that there are significant uncertainties regarding JAML's current position and future prospects as detailed in the financial statements of that company for the year ended 31 December 2013 and summarised below:

- JAML is subject to a claim for payment from a creditor in the region of €300,000, potential settlement of which, by assignment of a sales agreement, is subject to negotiation between JAML and the creditor.
- Legal claims by JAML against two third parties totalling some £1 million, the outcome of which will, to a large extent, determine JAML's ability to settle further significant outstanding creditors.
- JAML's business model is subject to significant uncertainty regarding the amount and timing of future revenues.
- JAML has disclosed in its financial statements a contingent liability in the order of £1 million to the administrators of Kentaro Limited, a former intermediate parent undertaking, relating to commission payments for a player. The director of JAML considers, and has evidence to support, that this amount was waived by Kentaro Limited and consequently does not consider that it will be payable.

Furthermore, the director acknowledges that, on 20 November 2015, having regard to the financial position of the company and its related undertakings and the uncertainties outlined above, the director issued Form 2.8B "Notice of Intention to Appoint an Administrator by Company or Director(s)" under Rule 2.20 of the Insolvency Rules 1986 to the company.

THE SPORT ENTERTAINMENT & MEDIA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

1.3 Cash flow

The financial statements do not include a Cash Flow Statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective April 2008).

1.4 Turnover

Turnover comprises management fees receivable in the year, exclusive of Value Added Tax.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold improvements	-	20% straight line
Fixtures, fittings & equipment	-	15% reducing balance

1.6 Investments

Investments held as fixed assets are valued at cost less provision for impairment, if any.

1.7 Operating leases

Rentals under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.8 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

THE SPORT ENTERTAINMENT & MEDIA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

1.9 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and Loss Account.

1.10 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

2. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

The loss on ordinary activities before taxation is stated after charging:

	2013 £	2012 £
Depreciation of tangible fixed assets:		
- owned by the company	12,175	4,951
Pension costs	-	1,200
Provision against doubtful debts	<u>139,987</u>	<u>-</u>

During the year, no director received any emoluments (2012 - £NIL).

3. TAXATION

	2013 £	2012 £
UK corporation tax charge on loss for the year	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

The company has tax losses of £40,891 (2012 - £Nil) and capital losses of £2,735,491 (2012 - £2,735,491) available for use against future profits.

THE SPORT ENTERTAINMENT & MEDIA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

4. TANGIBLE FIXED ASSETS

	Leasehold improve- ments £	Fixtures, fittings & equipment £	Total £
Cost			
At 1 January 2013 and 31 December 2013	<u>113,293</u>	<u>101,376</u>	<u>214,669</u>
Depreciation			
At 1 January 2013	113,293	73,314	186,607
Charge for the year	<u>-</u>	<u>12,175</u>	<u>12,175</u>
At 31 December 2013	<u>113,293</u>	<u>85,489</u>	<u>198,782</u>
Net book value			
At 31 December 2013	<u>-</u>	<u>15,887</u>	<u>15,887</u>
At 31 December 2012	<u>-</u>	<u>28,062</u>	<u>28,062</u>

5. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £
Cost	
At 1 January 2013 and 31 December 2013	<u>50,098</u>
Net book value	
At 31 December 2013	<u>50,098</u>
At 31 December 2012	<u>50,098</u>

THE SPORT ENTERTAINMENT & MEDIA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

5. FIXED ASSET INVESTMENTS (continued)

Subsidiary undertakings

The following company, which is registered in England & Wales, was a subsidiary undertaking of the company at 31 December 2013:

Name	Class of shares	Holding
Jerome Anderson Management Limited	Ordinary	100%

The aggregate of the share capital and reserves as at 31 December 2013 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(loss) £
Jerome Anderson Management Limited	<u>2,460,218</u>	<u>(1,268,532)</u>

6. DEBTORS

	2013 £	2012 £
Amounts owed by group undertakings (Note 13)	412,075	484,950
Other debtors	4,020	5,312
	<u>416,095</u>	<u>490,262</u>

**7. CREDITORS:
Amounts falling due within one year**

	2013 £	2012 £
Bank loans and overdrafts	146	-
Trade creditors	1,258	1,229
Corporation tax	217	217
Other creditors	7,550	7,550
	<u>9,171</u>	<u>8,996</u>

THE SPORT ENTERTAINMENT & MEDIA GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

8. SHARE CAPITAL

	2013 £	2012 £
Allotted, called up and fully paid		
34,100,870 Ordinary shares of £0.10 each	<u>3,410,087</u>	<u>3,410,087</u>

9. RESERVES

	Profit and loss account £
At 1 January 2013	(2,747,877)
Loss for the year	(189,301)
	<hr/>
At 31 December 2013	<u>(2,937,178)</u>

10. CONTINGENT LIABILITIES

The company was incorporated on 7 February 2001 and acquired the entire issued share capital of Jerome Anderson Management Limited ("JAML"), a trading company, on 7 May 2001. The company has acted as a holding company to JAML since that date. JAML has traded using the Sport Entertainment and Media Group brand during that period. As a result, the director acknowledges that the customers and suppliers of JAML may consider that they are in fact contracting with the company and indeed there have been instances where this has been the case. As a consequence the director considers that the company may have a perceived responsibility to satisfy the performance of sales agreements and meet payments due under supplier contracts entered into by JAML should that company not be in a position to comply with the terms of those agreements. Should this situation arise, the director considers that the company would have a related claim against JAML.

The company has provided a guarantee in respect of the bank loan and overdraft of JAML which at the balance sheet date amounted to £500,140 (2012 - £489,236).

11. PENSION COMMITMENTS

The company operated a defined contribution pension scheme during the year. The assets of the scheme were held separately from those of the company in an independently administered fund. The pension cost charge represents contributions paid by the company to the fund and amounted to £1,200 (2012 - £1,200).

THE SPORT ENTERTAINMENT & MEDIA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

12. OPERATING LEASE COMMITMENTS

At 31 December 2013 the company had annual commitments under non-cancellable operating leases as follows:

	2013 £	2012 £
Expiry date:		
Between 2 and 5 years	<u>29,000</u>	<u>29,000</u>

13. RELATED PARTY TRANSACTIONS

At the year end, the company was owed £361,138 (2012 - £434,013) by Jerome Anderson Management Limited, a subsidiary undertaking, and £50,937 (2012 - £50,937) by Sports Holdings Limited, the immediate parent undertaking.

Also at the year end, the company was owed £2,487 (2012 - £2,487) by Banaram Limited, a company in which J Anderson has a material interest.

The company has deemed the balances to be fully recoverable.

14. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company's immediate parent undertaking is Sports Holdings Limited, a company registered in England & Wales.

Until 17 November 2014, the company's ultimate parent undertaking and controlling party was Kentaro AG, a company registered in Switzerland.

From 17 November 2014, the company's ultimate parent undertaking is Lenani Limited, a company registered in England & Wales, and the ultimate controlling party is P Grothe.

15. POST BALANCE SHEET EVENTS

In early 2014, the company's then ultimate parent undertaking and controlling party, Kentaro AG, a company registered in Switzerland, was placed into liquidation.

On 10 October 2014, the company's then intermediate parent undertaking, Kentaro Limited, a company registered in England & Wales, was placed into administration.

On 17 November 2014, the appointed administrators of Kentaro Limited concluded the sale of certain assets held by Kentaro Limited, including its indirect shareholding in the company, to Lenani Limited, a company registered in England & Wales.

On 20 November 2015, the director issued Form 2.8B "Notice of Intention to Appoint an Administrator by Company or Director(s)" under Rule 2.20 of the Insolvency Rules 1986 to the company.