

Registered number: 04765076

SPORTS HOLDINGS LIMITED

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

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SPORTS HOLDINGS LIMITED

COMPANY INFORMATION

DIRECTORS

J Anderson (resigned 17 September 2013)
P Grothe
P Huber (resigned 4 December 2014)
J Weston (resigned 1 September 2013)
L Anderson (resigned 17 September 2013)
J Hill (resigned 14 July 2014)

REGISTERED NUMBER

04765076

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

SPORTS HOLDINGS LIMITED

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SPORTS HOLDINGS LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

The director presents his report and the financial statements of Sports Holdings 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.

PRINCIPAL ACTIVITY

The principal activity of the company is that of a holding company for a group engaged in sports representation and management.

The company did not trade during the current or prior year.

DIVIDENDS

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

DIRECTORS

The directors who served during the year were

J Anderson (resigned 17 September 2013)
P Grothe
P Huber (resigned 4 December 2014)
J Weston (resigned 1 September 2013)
L Anderson (resigned 17 September 2013)
J Hill (resigned 14 July 2014)

SPORTS HOLDINGS LIMITED

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

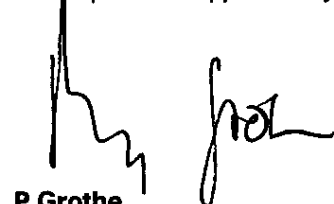
PROVISION OF INFORMATION TO AUDITOR

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

SPORTS HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SPORTS HOLDINGS LIMITED

We were engaged to audit the financial statements of Sports Holdings 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 Directors' Report and Financial Statements to identify material inconsistencies with the audited financial statements. 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 carrying value of the company's sole asset is predicated on the company's trading subsidiary, Jerome Anderson Management Limited ("JAML") being successful in the future. Furthermore, the company owed £4,759,006 to JAML, payment of which may be pursued by JAML's creditors should JAML not be able to meet its liabilities as they fall due.
- The current position and future prospects of 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.

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.

SPORTS HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SPORTS HOLDINGS LIMITED

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.

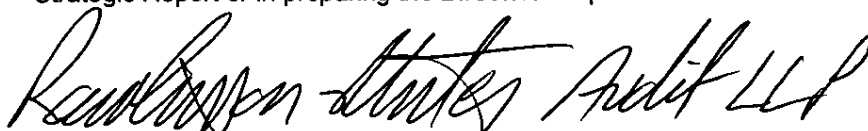
OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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



SPORTS HOLDINGS LIMITED

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

	Note	2013 £	2012 £
Waiver of intercompany loan	6	1,200,000	-
Impairment of fixed asset investments	3	<u>(4,410,176)</u>	-
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(3,210,176)	-
Tax on loss on ordinary activities	3	<u>-</u>	-
LOSS FOR THE FINANCIAL YEAR	7	<u>(3,210,176)</u>	-

The notes on pages 7 to 11 form part of these financial statements

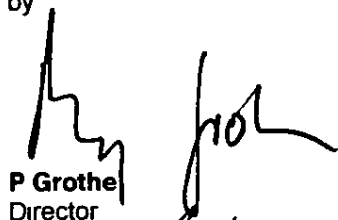
SPORTS HOLDINGS LIMITED
REGISTERED NUMBER: 04765076

BALANCE SHEET
AS AT 31 DECEMBER 2013

	Note	£	2013 £	£	2012 £
FIXED ASSETS					
Investments	4		5,000,000		9,410,176
CREDITORS: amounts falling due within one year	5		<u>(225,941)</u>		<u>(225,941)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			4,774,059		9,184,235
CREDITORS: amounts falling due after more than one year	6		<u>(4,759,006)</u>		<u>(5,959,006)</u>
NET ASSETS			<u>15,053</u>		<u>3,225,229</u>
CAPITAL AND RESERVES					
Called up share capital	7		2,246,429		2,246,429
Capital redemption reserve	8		553,258		553,258
Profit and loss account	8		<u>(2,784,634)</u>		<u>425,542</u>
SHAREHOLDERS' FUNDS - ALL EQUITY			<u>15,053</u>		<u>3,225,229</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 11 form part of these financial statements

SPORTS HOLDINGS 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 has not traded during the current or preceding financial years. During these periods the company received no income other than waiver of an intercompany creditor balance with Jerome Anderson Management Limited (Note 6) and incurred no expenditure other than the impairment of investments.

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 £3,210,176 in the year ended 31 December 2013 and at that date had net assets of £15,053.

At 31 December 2013, the company had a single asset of £5,000,000 consisting of its 100% investment in The Sport Entertainment and Media Group Limited ("SEMGL"), an intermediate holding company, which in turn had a 100% investment in Jerome Anderson Management Limited ("JAML"), a trading company. The company had total liabilities of £4,984,947 of which £4,759,006 related to amounts due to JAML.

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 of the performance of the company's operating subsidiary undertaking, JAML, (of which he is also a director) up to the date these financial statements have been signed, forecasts for the period to 31 October 2016 and his expectations for JAML's performance beyond 31 October 2016. The director believes that JAML will return to profitability and be in a position to provide financial assistance to the company in meeting its external liabilities for the foreseeable future.

However, in making this assessment, the director is cognisant that the carrying value of the company's sole asset is predicated on JAML being successful in the future. Although he considers this will be the case, he acknowledges 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.

SPORTS HOLDINGS LIMITED

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

1.2 Going concern (continued)

- 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.

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 Investments

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

1.5 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.

2. DIRECTORS' EMOLUMENTS AND AUDITOR'S REMUNERATION

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

The auditor's remuneration for 2013 and 2012 was borne by the company's subsidiary undertaking, Jerome Anderson Management Limited, and no recharge was made to the company.

3. TAXATION

	2013 £	2012 £
UK corporation tax charge on loss for the year	-	-

There were no factors that may affect future tax charges.

SPORTS HOLDINGS LIMITED

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

4 FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £
Cost	
At 1 January 2013 and 31 December 2013	<u>9,410,176</u>
Impairment	
At 1 January 2013	-
Charge for the year	<u>4,410,176</u>
At 31 December 2013	<u>4,410,176</u>
Net book value	
At 31 December 2013	<u>5,000,000</u>
At 31 December 2012	<u>9,410,176</u>

Subsidiary undertakings

The following companies, which are registered in England & Wales, were subsidiary undertakings of the company at 31 December 2013

Name	Class of shares	Holding
The Sport Entertainment & Media Group Limited	Ordinary	100%
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) £
The Sport Entertainment & Media Group Limited	472,909	(189,301)
Jerome Anderson Management Limited *	<u>2,460,218</u>	<u>(1,268,532)</u>

* Held indirectly through The Sport Entertainment & Media Group Limited

SPORTS HOLDINGS LIMITED

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

5. CREDITORS:
Amounts falling due within one year

	2013 £	2012 £
Other loans	145,000	145,000
Amounts owed to group undertakings	50,937	50,937
Other creditors	30,004	30,004
	<u>225,941</u>	<u>225,941</u>

Other loans falling due within one year of £145,000 (2012 - £145,000) are secured by floating charges over the assets of the company and its subsidiaries, bear interest at 3% per annum and are repayable in instalments

Amounts owed to group undertakings consist of £50,937 (2012 - £50,937) due to The Sport Entertainment & Media Group Limited, a subsidiary undertaking. This is unsecured, interest free and repayable on demand.

6. CREDITORS:
Amounts falling due after more than one year

	2013 £	2012 £
Amounts owed to group undertakings	<u>4,759,006</u>	<u>5,959,006</u>

Amounts owed to group undertakings consist of £4,759,006 (2012 - £5,959,006) due to Jerome Anderson Management Limited ("JAML"), a subsidiary undertaking. This amount is unsecured, interest free and not due for repayment until after 31 December 2014. An intercompany creditor balance of £1,200,000 owed to Jerome Anderson Management Limited ("JAML") has been waived in agreement with JAML and therefore, is reflected as other income in the Profit and Loss account.

7. SHARE CAPITAL

	2013 £	2012 £
Allotted, called up and fully paid		
22,464,286 Ordinary shares of £0.10 each	<u>2,246,429</u>	<u>2,246,429</u>

SPORTS HOLDINGS LIMITED

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

8. RESERVES

	Capital redemption reserve £	Profit and loss account £
At 1 January 2013	553,258	425,542
Loss for the year	-	(3,210,176)
	<hr/>	<hr/>
At 31 December 2013	<u>553,258</u>	<u>(2,784,634)</u>

9. RELATED PARTY TRANSACTIONS

Amounts due to related parties are shown in creditors (Notes 5 and 6). Other than payments on behalf of the company by a subsidiary undertaking, there were no transactions with related parties during the year.

10. 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.

11. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

Until 17 November 2014, the company's immediate parent undertaking was Kentaro Limited, a company registered in England & Wales, and its ultimate parent undertaking and controlling party was Kentaro AG, a company registered in Switzerland.

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