

COMPANY REGISTRATION NO.

OC396393

AI PERFORM HOLDINGS LLP

ANNUAL REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2016

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**AI PERFORM HOLDINGS LLP
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER
2016**

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**AI PERFORM HOLDINGS LLP
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER
2016**

MEMBERS AND PROFESSIONAL ADVISERS

Members

AI Perform Holdings LLC
Premium TV Group Limited
Altep 2015 LP
Access Industries Management LLC

Registered Office

Marble Arch House
6th Floor
66 Seymour Street
London W1H5BT

Solicitors

Weil, Gotshal & Manges
110 Fetter Lane
London EC4A 1AY

Auditor

Deloitte LLP
Statutory Auditor
London

AI PERFORM HOLDINGS LLP

MEMBERS' REPORT

The Members present the annual report on behalf of the Members together with the audited consolidated financial statements of AI Perform Holdings LLP for the year ended 31 December 2016.

Group structure

AI Perform Holdings LLP (the "LLP") is a limited liability partnership incorporated in England and Wales under the Limited Liability Partnerships Act 2000. The LLP owns a majority portion of Perform Group Limited ("Perform", together the "Group"), a global market leader in the commercialisation of multimedia sports content across multiple Internet-enabled digital platforms. Perform controls entities operating in Argentina, Australia, Austria, Brazil, Canada, Cyprus, France, Germany, India, Italy, Japan, Luxembourg, Malaysia, Netherlands, New Zealand, Nigeria, Northern Ireland, Norway, Poland, Portugal, Russia, Singapore, South Africa, Spain, Sweden, Switzerland, Turkey, the United Kingdom, the United States of America and Uruguay.

Principal activity

The principal activity of the LLP is to act as a holding entity for shares in Perform.

Members

AI Perform Holdings LLC	50.9742%
Premium TV Group Limited	48.4611%
Altep 2015 LP	0.5647%

Access Industries Management LLC

Members' profit share and capital contributions

The LLP determines the respective profit entitlements of the Members. The basis of profit sharing is determined by the limited liability partnership deed for the LLP.

Members' responsibilities statement

The Members are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

The Limited Liability Partnerships (Accounts & Audit) (Application of Companies Act 2006) Regulations 2008 require the Members to prepare financial statements for each financial year. Under that law the Members have elected to prepare the group financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union and have elected to prepare the parent LLP financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standards ("FRS") 101 "Reduced Disclosure Framework". The financial statements are also required by law to be prepared in accordance with the Companies Act 2006, as applicable to limited liability partnerships. Under Company Law the Members must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the firm and of the group and of the profit or loss of the group for that period.

In preparing the parent limited liability partnership's financial statements, the Members are 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the parent LLP will continue in business.

AI PERFORM HOLDINGS LLP

MEMBERS' REPORT (CONTINUED)

In preparing the group financial statements, International Accounting Standard 1 requires that Members:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information; and
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance.

The Members are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the firm and enable them to ensure that the financial statements comply with the Companies Act 2006, as applicable to limited liability partnerships. They are also responsible for safeguarding the assets of the firm and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

These responsibilities are exercised by the Managing Member on behalf of the Members.

Going concern

Having reviewed cash flow forecasts and budgets the Directors have a reasonable expectation that the Group has sufficient resources to continue in operational existence for the foreseeable future, being a period of at least 12 months from the date of approval of these financial statements.

The Group had cash balances of £135.0 million (2015: £130.0 million) at the year end and net current assets of £109.3 million (2015: £133.7 million).


During 2015 and subsequently in 2016, the Group was preparing for, and then launching, its OTT business. As part of the investment phase in this exciting and significant growth opportunity, the Group made significant commitments for the acquisition of critical content rights and development of the platform and product ahead of the launch of the OTT business. As at 31st December 2016, the Group, as a whole, had commitments to acquire rights of £2,548 million (2015: £501 million).

The Group has prepared a detailed financial forecast for the 4 year period to 2020. These forecasts indicate that, based on management's assumptions, the Group is likely to require significant additional funding during this period in order to discharge all obligations as they fall due.

The Group's principal shareholder, Access Industries ("Access"), has confirmed its intention to continue to provide financial support to the Group to ensure that it has the necessary funding to complete its investment in its OTT business and ensure that the Group and its subsidiaries meet their obligations as they fall due. This funding may take the form of further direct investment from Access and / or from external sources. The Group has a good record of obtaining the necessary funding to support its investment and growth plans, including shareholder support if required, evidenced by the take-private of the Group in 2014 and the subsequent raising of both public and private debt in 2015 and 2016. The Directors of the Group have considered the likely availability of alternative funding sources, and are satisfied that the necessary cash flow resources will be available.

Taking into account the uncertainty within the cash flow forecasts and the expected availability of funding, including support by Access as required, the Directors consider that the Group can meet its liabilities as they fall due for the foreseeable future. On this basis, the Directors have a reasonable expectation that the Company will continue in operational existence for the foreseeable future, being at least 12 months from the date of signing these financial statements, and accordingly have continued to adopt the going concern basis in preparing the accounts.

Signed on behalf of the Members by:



Richard Storey

Executive Vice President

Access Industries Management LLC

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AI PERFORM HOLDINGS LLP

We have audited the financial statements of AI Perform Holdings LLP for the year ended 31 December 2016 which comprise the Consolidated income statement, the Consolidated statement of other comprehensive income, the Consolidated balance sheet, the Consolidated statement of changes in members' interests, the Consolidated statement of cash flows and the related notes 1 to 28 and the Parent limited liability partnership balance sheet, the Parent limited liability partnership statement of changes in equity and the related notes 1 to 6. The financial reporting framework that has been applied in the preparation of the consolidated financial statements is applicable law and IFRSs as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the parent limited liability partnership financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework".

This report is made solely to the limited liability partnership's Members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the limited liability partnership'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 limited liability partnership and the limited liability partnership's Members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Members and auditor

As explained more fully in the Members' Responsibilities Statement, the Members 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 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.

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 Group's and the parent limited liability partnership's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the designated members; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report 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.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent limited liability partnership's affairs as at 31 December 2016 and of the group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent limited liability partnership financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships.

Separate opinion in relation to IFRSs as issued by the IASB

As explained in Note 1 to the Group financial statements, the Group in addition to applying IFRSs as adopted by the European Union, has also applied IFRSs as issued by the International Accounting Standards Board (IASB).

In our opinion the Group financial statements comply with IFRSs as issued by the IASB.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AI PERFORM HOLDINGS LLP

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 as applied to limited liability partnerships requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent limited liability partnership, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent limited liability partnership 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.

Mr. Lee-Amies

Mark Lee-Amies (Senior statutory auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
22 August 2017

AI PERFORM HOLDINGS LLP

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £'000	2015 £'000
All results relate to continuing operations			
Revenue	1, 2, 3	286,564	259,316
Cost of sales		(164,383)	(139,612)
Gross profit		122,181	119,704
Administrative expenses		(173,089)	(114,107)
Group operating (loss)/profit	4	(50,908)	5,597
Investment income	2, 6	346	234
Finance costs	7	(21,408)	(10,984)
Loss before tax		(71,970)	(5,153)
Taxation charge	8	(7,216)	(1,714)
Loss for the year		(79,186)	(6,867)
<i>Group loss attributable to:</i>			
Members of the Parent		(68,167)	(7,852)
Non-controlling interests		(11,019)	985
		(79,186)	(6,867)

AI PERFORM HOLDINGS LLP

**CONSOLIDATED STATEMENT OF CHANGES IN MEMBERS INTERESTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

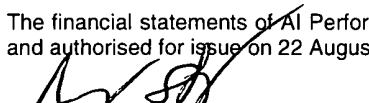
	2016 £'000	2015 £'000
Group loss for the year	(79,186)	(6,867)
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translating foreign operations, goodwill and intangible assets held in foreign currencies	4,451	(16,458)
Total comprehensive loss for the year	(74,735)	(23,325)
<i>Total comprehensive loss for the year attributable to:</i>		
Members of the Parent	(64,339)	(22,239)
Non-controlling interests	(10,396)	(1,086)
	(74,735)	(23,325)

AI PERFORM HOLDINGS LLP

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

	Notes	2016 £'000	2015 £'000
Non-current assets			
Goodwill	9	203,243	189,073
Acquisition intangibles	10	54,277	54,288
Other intangible assets	11	34,022	24,588
Property, plant and equipment	12	23,923	14,827
Deferred tax asset	19	5,867	7,487
		321,332	290,263
Current assets			
Trade and other receivables	13	48,410	41,429
Prepayments and accrued income	14	157,672	57,731
Cash and cash equivalents	15	135,013	129,559
		341,095	228,720
Total assets		662,427	518,983
Current liabilities			
Trade and other payables	16	(124,321)	(55,839)
Current acquisition-related financial liabilities	17	-	(31,547)
Current borrowings	18	(103,609)	(1,859)
Current tax liabilities		(3,827)	(5,758)
		(231,757)	(95,003)
Net current assets		109,338	133,717
Non-current liabilities			
Intercompany notes payable	16	(124,991)	-
Non-current borrowings	18	(192,817)	(267,563)
Deferred tax liability	20	(10,508)	(11,185)
		(328,316)	(278,748)
Total liabilities		(560,073)	(373,751)
Net assets		102,354	145,232
Equity			
Members' capital classified as equity		336,868	302,752
Merger reserve		(324,239)	(324,239)
Members' other interests - other reserves classified as equity		68,121	130,244
Non-controlling interests	22	21,604	36,475
Total equity		102,354	145,232
Members' other interest		80,751	108,757
Members' other interest		80,751	108,757

The financial statements of AI Perform Holdings LLP (registered number OC396393) were approved by the Members and authorised for issue on 22 August 2017. They were signed on behalf of the Members by:


Access Industries Management, LLC
Designated member
Richard Storey

AI PERFORM HOLDINGS LLP

CONSOLIDATED STATEMENT OF CHANGES IN MEMBERS' INTERESTS FOR THE YEAR ENDED 31 DECEMBER 2016

	Members' capital classified as equity £'000	Merger relief reserve £'000	Capital redemption reserve £'000	Profit and loss account £'000	Merger reserve £'000	FX reserve £'000	Other reserve £'000	Total to the Members of the Parent £'000	Non-controlling interests £'000	Total equity £'000
At 1 January 2015	302,752	93,533	38,342	3,440	(323,373)	(7,504)	49,993	157,183	41,040	198,223
(Loss)/Profit for the year	-	-	-	(7,852)	-	-	-	(7,852)	985	(6,687)
FX on translating foreign operations, goodwill and intangible assets	-	-	-	-	-	(14,387)	-	(14,387)	(2,071)	(16,458)
Total comprehensive loss for the year	-	-	-	(7,852)	-	(14,387)	-	(22,239)	(1,086)	(23,325)
Payment of dividends to non-controlling interests	-	-	-	-	-	-	1,394	1,394	(1,394)	-
Adjustment arising from change in non-controlling interest (see note 26)	-	-	-	(19,494)	-	-	(7,221)	(26,715)	(2,085)	(28,800)
Acquisition of additional shares in Perform Group Ltd	-	-	-	-	(866)	-	-	(866)	-	(866)
At 31 December 2015	302,752	93,533	38,342	(23,906)	(324,239)	(21,891)	44,166	108,757	36,475	145,232
Loss for the year	-	-	-	(68,167)	-	-	-	(68,167)	(11,019)	(79,186)
FX on translating foreign operations, goodwill and intangible assets	-	-	-	-	-	3,828	-	3,828	623	4,451
Total comprehensive loss for the year	-	-	-	(68,167)	-	3,828	-	(64,339)	(10,396)	(74,735)
Payment of dividends to non-controlling interests	-	-	-	-	-	-	2,258	2,258	(2,258)	-
Share Capital / premium issued	34,116	-	-	-	-	-	-	34,116	-	34,116
Adjustment arising from change in non-controlling interest (see note 26)	-	-	-	46,382	-	-	(46,424)	(42)	(2,217)	(2,259)
At 31 December 2016	336,868	93,533	38,342	(45,691)	(324,239)	(18,063)	-	80,750	21,604	102,354

AI PERFORM HOLDINGS LLP

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 £'000	2015 £'000
Operating activities		
Group operating (loss)/profit	(50,908)	5,597
Increase in trade and other receivables	(107,657)	(26,366)
Increase/(decrease) in trade and other payables	61,924	(7,727)
Depreciation and amortisation (including acquisition intangible amortisation)	28,569	22,101
Employee share-based payment	6,601	4,675
Exceptional items	1,688	-
Corporation tax payments	(5,028)	(4,206)
Cash flow from operating activities (prior exceptional items)	(64,811)	(5,926)
Payments in respect of exceptional items	(1,476)	-
Cash flow from operating activities (after exceptional items)	(66,287)	(5,926)
Investing activities		
Purchases of property, plant and equipment	(18,692)	(9,328)
Purchase of intangible assets	(20,701)	(15,418)
Acquisition of subsidiaries (net of cash acquired)	(5,141)	(7,818)
Investment income	346	234
Cash flow used in investing activities	(44,188)	(32,330)
Financing activities		
Dividend paid to non-controlling interests	(2,258)	(1,394)
Capital contributions received	-	10
Acquisition of non-controlling interests	(27,956)	(30,896)
Acquisition of Perform non-controlling interest	-	(866)
Borrowings (net of discount)	128,499	173,881
Proceeds from issue of shares (net of professional fees)	34,116	-
Arrangement fees	-	(6,241)
Borrowings capital repayment	(2,293)	(485)
Interest and finance lease charges paid	(16,997)	(1,672)
Cash flow from financing activities	113,111	132,337
Net increase in cash and cash equivalents in the period (all continuing operations)	2,636	94,081
Cash and cash equivalents at start of period	129,559	36,246
Effect of foreign currency exchange rates	2,818	(768)
Cash and cash equivalents at end of period	135,013	129,559

AI PERFORM HOLDINGS LLP

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

1. Accounting policies

General Information

AI Perform Holdings LLP (the "LLP") is a limited liability partnership incorporated in England and Wales under the Limited Liability Partnerships Act 2000. The LLP owns a majority portion of Perform Group Limited ("Perform", together the "Group"), a global market leader in the commercialisation of multimedia sports content across multiple Internet-enabled digital platforms.

The address of the registered office is Marble Arch House, 6th Floor, 66 Seymour Street, London W1H5BT.

The presentational currency of these financial statements is in pounds sterling because that is the currency of the primary economic environment in which the Group operates. Foreign operations are included in accordance with the policies set out below.

Adoption of new and revised standards

In the prior year, the Group has applied a number of amendments to International Financial Reporting Standards ("IFRS") and a new interpretation issued by the International Accounting Standard Board ("IASB") that are mandatorily effective for an accounting period that begins on or after 1 January 2015 as follows:

Amendments to International Accounting Standard ("IAS") 19	<i>Employee Benefits – Contributions from employees or third parties that are linked to service</i>
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Annual Improvements to IFRSs: 2010 - 2012

Annual Improvements to IFRSs: 2011 - 2013

Their adoption has not had any material impact on the disclosures or on the amounts reported in these consolidated financial statements.

New and Revised IFRSs in issue but not yet effective

At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRSs that have been issued but are not yet effective and had not yet been adopted by the EU:

IFRS 9	<i>Financial Instruments</i>
IFRS 15	<i>Revenue from Contracts with Customers</i>
IFRS 16	<i>Leases</i>
Amendments to IAS 7	<i>Disclosure initiative</i>
Amendments to IAS 12	<i>Recognition of deferred tax assets for unrealised losses</i>
Amendments to IAS 40	<i>Transfers of Investment Property</i>
Amendments to IFRS 2	<i>Classification and measurement of share-based payment transactions</i>
Amendments to IFRS 4	<i>Applying IFRS 9 Financial Instruments with IFRS 4 Customer Contracts</i>
IFRIC 22	<i>Foreign currency transactions and advance consideration</i>

Annual Improvements to IFRSs: 2014 - 2016

The members do not expect that the adoptions of the Standards listed above will have a material impact on the financial statements of the Group in future periods, except that IFRS 9 will impact both the measurement and disclosures of financial instruments.

We have performed an assessment of IFRS 15 the results of which indicate there will be no material impact on revenue recognition and related disclosures. IAS 16 will also have an impact as operating leases will be recorded on the balance sheet. Beyond the information above, it is not practicable to provide a reasonable estimate of the effect of IFRS 9, and IAS 16 until a detailed review has been completed.

AI PERFORM HOLDINGS LLP

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

1. Accounting policies (continued)

Basis of accounting

The Group's consolidated financial statements have been prepared and approved by the Members in accordance with applicable IFRS issued by the IASB. The consolidated financial statements have also been prepared in accordance with IFRS adopted by the European Union ("EU") and therefore the consolidated financial statements comply with Article 4 of the EU IAS regulation.

The consolidated financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. The principal accounting policies adopted are set out below.

The consolidated financial statements have been prepared for the year ended 31 December 2016. Accordingly, the following principles have been applied in the preparation of these financial statement:

- Assets and liabilities have been recorded at their carrying value at which they were held prior to transfer; and
- Results for the businesses that together form the Group have been aggregated as though that ownership structure had existed throughout the current and prior periods.

As part of the internal reorganisation during 2015 by Access Industries ("Access"), shares in Perform Group Limited, held by affiliates of the LLP, were transferred to the LLP in exchange for a loan and equity in the LLP, for a total value of £495,351,797. These shares represent 86% of the issued share capital of Perform Group Limited. This Group reorganisation was undertaken at book value with the transaction financed via related party loans from affiliates of the LLP. In the consolidated group accounts, these loans and the associated interest are recorded as per their legal form. These entries have no impact on the consolidated statement of cash flows as the reorganisation transaction did not result in cash flowing through the LLP.

The elimination of the investment in Perform Group Limited in the consolidated accounts has been reflected in the merger reserve, effective from the date of the Group reorganisation, being 23 December 2014.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the LLP and entities controlled by the LLP made up to 31 December each year. Control is achieved when the LLP:

- has power over the investee;
- is exposed, or has rights, to variable return from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The LLP reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the LLP has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The LLP considered all relevant facts and circumstances in assessing whether or not the LLP's voting rights in an investee are sufficient to give it power, including:

- the size of the LLP's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the LLP, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the LLP has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins where the LLP obtains control over the subsidiary and ceases when the LLP loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the date the LLP gains control until the date when the LLP ceases to control the subsidiary.

AI PERFORM HOLDINGS LLP

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

1. Accounting policies (continued)

Profit or loss and each component of other comprehensive income are attributed to the owners of the LLP and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the LLP and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. The interests of non-controlling shareholders may be initially measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition by acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Going concern

The financial statements have been prepared using the going concern basis of accounting. Refer to the members' report on page 2 for further discussion.

Business combinations

On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. Acquisition-related costs are recognised in profit or loss as incurred.

Contingent and deferred consideration arising as a result of acquisitions is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Contingent and deferred consideration is based on management's best estimate of the likely outcome and best estimate of fair value. The contingent and deferred consideration is recorded as a liability and changes in fair value that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date. The subsequent accounting for changes in the fair value of the contingent and deferred consideration that do not qualify are recorded in the income statement.

To the extent that contingent consideration is substantively linked to employment or service conditions, where the selling shareholders continue to provide post-combination services those payments will be charged to the Income Statement as remuneration over the relevant period.

Where the Group has an option to acquire a non-controlling interest in a subsidiary the fair value of that option is recognised as a liability with a corresponding movement in reserves, in accordance with IAS 27. The changes in fair value of the option at each reporting date are recognised in the Income Statement. If the contingent consideration is subject to service-related provisions it is charged through the Income Statement as a service cost over the relevant period. However, if there are no service related conditions, the changes in the fair value are recognised in the Income Statement as a finance cost.

Additional consideration and details with respect to the Group's policies relating to the acquisition of non-controlling interests and contingent consideration are set out in "critical accounting judgements and key sources of estimation uncertainty" below.

Revenue recognition

Revenue represents amounts derived from the provision of services falling within the Group's continuing ordinary activities, after the deduction of value added tax. Revenue is measured at the fair value of consideration received or receivable.

• Content

Content relates to sales of the Group's Watch&Bet, Opta, Omnisport, WatchandTrade and RunningBall products. Content revenue is recognised over the course of the contract. Any content monies received in advance of the contract commencing are recognised in current liabilities as deferred income.

AI PERFORM HOLDINGS LLP

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

1. Accounting policies (continued)

- **Media**

Revenue related to display and video advertising is recognised based on the number of advertising impressions or streams delivered compared to the required number of advertising impressions or streams included within a contract agreed with either a brand or an advertising agency.

Revenue related to sponsorship activity is recognised in line with the services delivered compared to the services specified within a contract agreed with an advertiser.

Where the Group is selling advertising to a third-party website, revenue is recognised on a gross basis as the Company bears the credit risk. The client's shares of such revenues are shown within cost of sales.

- **OTT**

Subscription revenues are recognized rateably over each monthly subscription period. Revenues are presented net of the taxes that are collected from subscribers and remitted to governmental authorities. Deferred revenue consists of subscription fees billed that have not been recognized. Revenue shares to third parties related to subscription revenues are shown within cost of sales.

Revenues related to the sub-licensing of content obtained by the OTT Business are recognised over the course of the contract. Any sub-licensing monies received in advance of the contract commencing are recognised in current liabilities as deferred income.

The Group has entered into agreements where it has licenced the rights to show content to a third party in return for media value as a substitute for cash consideration.

In such instances, as the goods exchanged are dissimilar in nature, the associated revenue and costs are measured at fair value of the goods or services received and recognised according to the delivery of the consideration over a period not exceeding the contractual term.

- **Other**

Sales of online subscription products, mobile downloads, online pay-per-view transactions and sms alerts are recognised on a gross basis evenly over the period in which the service is provided by the Group. The client's shares of such revenues are shown within cost of sales.

Service fees generated from the ongoing provision of website servicing, maintenance and hosting to customers are recognised in line with the service delivery to the customer, which is usually evenly across a contractual period. Fees arising from the building of products for customers or for structural enhancements to existing customer products are recognised in line with contractual milestones (which reflect the stage of completion) during the contractual build period.

Content costs

The Group typically licenses the right (from sports associations, sports bodies, leagues or their agents or partners) to supply live sports content to online bookmakers and/or to supply aggregated non-exclusive video-on-demand (typically highlights) via the Group's embeddable video player (embedded on publisher websites) or distributed in a news feed (typically highlights).

The rights the Group licenses are for a fixed period of time, over a number of years. The rights are generally paid in instalments over the length of the contract, either in advance (and as such the Group will recognise a prepayment) or arrears (and as such the Group will recognise an accrual).

The Group recognises an expense for sports streaming rights to cost of sales, based on a weighting of when the value of the rights will be returned, over a period not exceeding the contractual period.

In the case of content costs related wholly to the OTT Business, the rights are expensed over the contractual period, based on the forecast weighted average subscriber revenues expected to be generated over the same period.

AI PERFORM HOLDINGS LLP

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

1. Accounting policies (continued)

Exceptional items

The Group highlights in the Strategic Report and notes to the financial statements significant income or costs due to their nature. The Directors consider that this presentation provides a more helpful analysis of the Group's underlying performance. The policy requires the Directors to exercise judgement in determining such items.

Items which may be included within this category include:

- those directly relating to acquisition activity including earn-out related incentive arrangements classified as remuneration, changes to the assessment of acquisition-related financial liabilities, consultancy, legal, finance and other professional adviser costs that otherwise would not have been incurred had the acquisition not occurred;
- acquisition integration costs including dual-running costs, contracts identified as onerous as a consequence of integration decisions, consultancy, redundancy, and project management and related costs (which may include those of employed staff specifically engaged to assist the integration of acquisitions);
- reorganisation and restructuring costs including dual-running costs, contracts identified as onerous as a consequence of reorganisation or restructuring decisions, consultancy redundancy, and project management and related restructuring costs (which may include those of employed staff specifically engaged for a limited period of time to assist the management of reorganisations and restructures);
- significant gains/losses arising on foreign exchange assets or liabilities relating to non-trading items such as contingent consideration or bank loans; and
- other particularly significant or unusual items which may include but are not limited to profits or losses on disposal or termination of operations or assets, litigation costs and settlements.

Leases

Rentals payable under operating leases are charged to the Income Statement over the term of the relevant lease and in accordance with the terms of the relevant leases. Operating lease costs relating to accommodation are recognised in the Income Statement under 'Administrative expenses'.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis.

The individual financial statements of each Group company are presented in the currency of the primary economic environment in which it operates. For the purpose of the consolidated financial statements, the results and financial position of each Group company are retranslated to pounds sterling, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency are recognised at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are re-translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised in profit or loss in the period in which they arise.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated to pounds sterling at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity.

Goodwill arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. The Group elected to treat goodwill arising on acquisitions before the date of transition to IFRS as sterling-denominated assets and liabilities.

AI PERFORM HOLDINGS LLP

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

1. Accounting policies (continued)

Borrowing costs

Borrowings are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with an interest expense recognised on an effective interest basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating the interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Taxation

The LLP is a limited liability partnership. For income tax purposes, it is considered a partnership, which is a pass through entity.

The group's tax expense represents the sum of the tax currently payable and deferred tax by Perform.

The tax currently payable is based on taxable profit for the period and tax withheld from income. Taxable profit differs from net profit as reported in the Income Statement because it excludes items of income or expense that are taxable or deductible in other years and further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Such assets and liabilities are not recognised if the temporary difference arises from goodwill or the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor accounting profit.

Deferred tax liabilities are recognised for temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of the deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the Income Statement, except when it relates to items charged or credited directly to equity or other comprehensive income, in which case the deferred tax is also dealt with in equity or other comprehensive income.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they:

- (i) relate to income taxes levied by the same taxation authority and
- (ii) the Group intends to settle its current tax assets and liabilities on a net basis.

AI PERFORM HOLDINGS LLP

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

1. Accounting policies (continued)

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation. Depreciation is recognised as an administrative expense and provided on all property, plant and equipment at rates calculated to write each asset down to its residual value, using the straight-line method, over its expected useful life as follows:

Freehold land – indefinite life

Internet hosting platform – three years

Office furniture and equipment – three years

Leasehold improvements – three years

Motor vehicles – three years

Intangible assets – computer software development

Development costs (including directly attributable overheads) are capitalised only when it is probable that future economic benefit will result from the project and the following criteria are met:

- the technical feasibility of the product has been ascertained;
- adequate technical, financial and other resources are available to complete and sell or use the intangible asset;
- the Group can demonstrate how the intangible asset will generate future economic benefits and the ability to use or sell the intangible asset can be demonstrated;
- it is the intention of management to complete the intangible asset and use it or sell it; and
- the development costs can be measured reliably.

Where these criteria are not met development costs are charged to the Income Statement as incurred.

Amortisation is recognised as an administrative expense and provided on computer software development at a rate calculated to write each asset down to its estimated residual value (assumed to be nil), using the straight-line method, over three years.

Intangible assets – other

Identifiable intangible assets acquired as part of business combinations, that meet the conditions for recognition under IFRS 3, are recognised at their fair value at the acquisition date. Amortisation is recognised as an administration expense and amortised, on a straight-line basis, over their useful economic life on the following basis:

Trademarks and domain names – twenty years

Content – three to twelve years

Customer relationships – three to twelve years

Information technology architecture – three to twelve years

Impairment of tangible and intangible assets

At each reporting date, the Group reviews the carrying amounts of its goodwill, tangible and intangible assets and intangible assets not yet available for use to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash generating unit/product to which the asset belongs. An intangible asset with an indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of the fair value, less costs to sell, and the value in use. In assessing value in use, the estimated future cash flows, which are based on budgeted figures, are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

AI PERFORM HOLDINGS LLP

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

1. Accounting policies (continued)

Impairment of tangible and intangible assets (continued)

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Financial instruments

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

Financial liability and equity

Financial liability and equity instruments are classified according to the substance of the contractual arrangements entered into. Equity instruments issued are recorded at the proceeds received, net of direct issue costs.

Borrowings

Borrowings are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with an interest expense recognised on an effective interest basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating the interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Derivative financial instruments

The Group uses derivative financial instruments to hedge its exposure to fluctuations in interest and foreign exchange rates. Further details of foreign exchange contracts are disclosed in note 19.

Derivatives embedded in other financial instruments are carried on the balance sheet at fair value from the inception of the host contract. The Group has identified certain embedded derivatives, described as "derivatives over own equity" under IAS 39 Financial Instruments: Recognition & Measurement ("IAS 39"). These derivatives are held at fair value from the date on which a derivative contract is entered into.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of derivative is calculated by discounting the maximum derivative value by a return on equity discount factor.

Changes in the fair values of these derivatives are recognised immediately in the income statement. The Group does not hold or issue derivatives for speculative purposes.

Trade and other receivables

Trade receivables do not carry any interest and are stated at their fair value on initial recognition (plus transaction costs if any) and carried at amortised cost under the effective interest method.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, bank accounts, deposits receivable on demand and deposits with maturity dates of three months or less from the date of inception. Bank overdrafts that are repayable on demand and which form an integral part of the Group's cash management are also included as a component of cash and cash equivalents where offset conditions are met.

Trade and other payables

Trade payables are not interest bearing and are stated at their fair value on initial recognition (plus transaction costs if any) and carried at amortised cost. The fair value of trade and other payables has not been disclosed as, due to their short duration, Management considers the carrying values recognised in the balance sheet to be a reasonable approximation of their fair value.

AI PERFORM HOLDINGS LLP

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

1. Accounting policies (continued)

Long-term share and cash-based payments

Cash-settled payments to employees are measured at the fair value of the instrument at the grant date. The fair value excludes the effect of non-market-based vesting conditions. Details regarding the determination of the fair value of long-term incentive transactions are set out in note 22.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest. At each balance sheet date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the non-market based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity reserves.

For long-term cash-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability.

At each balance sheet date until the liability is settled, and at the date of settlement, the fair value of the liability is re-measured with any changes in fair value recognised in profit or loss for the year.

Pension

The Group makes contributions on behalf of employees to an independent, defined contribution pension scheme. The Group has no further legal obligation to pay contributions after the payment of its fixed contribution that is matched by an employee. These contributions are recognised as an expense in the period the relevant employee services are received.

Critical accounting judgements and key sources of estimation uncertainty

The items below are critical judgements that the Directors believe have a significant effect on the amounts recognised in these financial statements:

Content costs

The Group amortises its payments for sports streaming rights to cost of sales, based on a weighting of when the value of the rights will be returned, over a period not exceeding the contractual period.

Whilst in substance the sports rights are intangible assets, given their nature they are not capable of recognition as an intangible asset until the sports event occurs, at which time an asset is capable of recognition.

In the case of rights for live events or highlights that are generally viewed live or very soon after the event and unlike a film or TV programming are generally viewed significantly less as time passes after the original event the Group has considered whether there is any residual value to such video-on-demand offerings and concluded that any value would be minimal and not material.

Commitment to acquire content rights

The Group has commitments to acquire sports content rights. As at 31 December 2016 these commitments total £2,548 million (2015: £502 million). The Members do not consider this commitment to be a financial liability as this commitment relates to future payments for future sporting events that the Group has acquired the right to stream. For the reasons set out above and as the organiser declares it waives the exercise of its own rights to stream the sport, the Group does not consider it meets the criteria for recognition of an intangible asset nor does it consider it has a financial liability in accordance with IAS 39 until the sporting event has been delivered.

Internally generated software and research

Management monitors progress of internal software development projects by using a project management system. Significant judgement is required in distinguishing whether such development should be recognised as an expense or capitalised. Development costs are recognised as an asset when all the relevant criteria are met. Where this is not the case costs are not capitalised and are written off as incurred.

The Group's Management also monitors whether the recognition requirements for development costs continue to be met. This is necessary as the economic success of any product development is uncertain and may be subject to future technical problems or developments after the time of recognition. See note 11 to the consolidated financial statements.

AI PERFORM HOLDINGS LLP

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

1. Accounting policies (continued)

Key Sources of estimation uncertainty

The estimates and assumptions, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below. Where a source of uncertainty has been discussed above it has not been duplicated below.

Recognition of deferred tax assets

The recognition (and subsequent derecognition) of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. The treatment of deferred tax assets in respect of losses and capital allowances arising in the United Kingdom represents a key source of estimation uncertainty as the relevant entities in which the losses have arisen have been loss making in the current and prior year. In the current year the Group derecognised deferred tax assets of £4.2 million in respect of losses based upon a reassessment of the forecast future profitability of the entities in which the losses have arisen. As at 31 December 2016 the Group is carrying a deferred tax asset of £2.7 million in respect of losses (2015: £7.1 million) and £2.2 million in respect of capital allowances (2015: £3.3 million). See note 20 to the consolidated financial statements.

Forecast revenues for OTT

The recognition of content rights costs for the OTT business is based upon the weighting of when the value of the rights will be returned, over a period not exceeding the contractual period. As the Group has limited historical experience in OTT subscription revenue there is significant judgment over when the value of the rights will be returned, being predominantly the forecasting of subscription revenues over the terms of the rights agreements (up to 10 years). As at 31 December 2016 the Group held a prepayment of £87.1 million (2015: £16.6 million) in respect of content rights costs for the OTT business.

Impairment of goodwill

The Group has tested goodwill for impairment which requires judgement when determining the recoverable amount, specifically around the forecasting of future cash flows and the application of appropriate sensitivities. Further details of the impairment testing and key assumptions are included in more detail in note 9.

AI PERFORM HOLDINGS LLP

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

2. Revenue

	2016 £'000	2015 £'000
Revenue as disclosed in the consolidated income statement	286,564	259,316
Investment income	346	234
Total revenue as defined in IAS 18	286,910	259,550

3. Divisional business analysis

Geographical revenue information for the years ended 31 December 2016 and 2015 is presented below:

	United Kingdom £'000	Europe £'000	Asia Pacific £'000	Americas £'000	Middle East and North Africa £'000	Rest of world £'000	Total £'000
2016							
Content	56,952	95,265	24,087	9,421	6,470	4,889	197,084
Media	13,219	23,798	7,605	15,970	1,286	1,396	63,274
OTT	-	5,380	3,297	-	-	-	8,677
Other	10,932	122	883	4,060	38	1,494	17,529
Total revenue	81,103	124,565	35,872	29,451	7,794	7,779	286,564
	United Kingdom £'000	Europe £'000	Asia Pacific £'000	Americas £'000	Middle East and North Africa £'000	Rest of world £'000	Total £'000
2015							
Content	44,706	84,195	24,688	9,143	4,582	3,183	170,497
Media	11,930	20,407	4,881	26,299	2,328	266	66,111
Other	11,892	2,501	1,142	5,760	602	811	22,708
Total revenue	68,528	107,103	30,711	41,202	7,512	4,260	259,316

AI PERFORM HOLDINGS LLP

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

4. Operating profit

Operating profit has been arrived at after charging/(crediting):

	2016 £'000	2015 £'000
Rentals payable under operating leases	4,558	3,569
Impairment loss recognised on trade receivables	4,824	480
Net foreign exchange gains	(5,086)	(1,626)
Research and development costs	3,203	1,985
Long-term incentive schemes	6,602	4,675
Depreciation of property, plant and equipment	9,900	5,893
Amortisation of intangible assets	12,304	10,252
Amortisation of acquisition intangibles	6,365	5,956

Operating profit also includes the following exceptional items:

	2016 £'000	2015 £'000
Costs in relation to the Group's acquisitions and bid defence	-	726
Re-measurement of acquisition-related financial liability	154	6,978
FX revaluation of acquisition-related financial liability	151	(4,250)
Costs in relation to restructuring activities	1,383	1,415
Other	-	216
	1,688	5,085

Exceptional items of £1.7 million were recognised in the year (2015: £5.1 million) relating to the following:

- remeasurement of the Mackolik acquisition related financial liability of £0.2 million (2015: £7.0 million);
- a foreign exchange revaluation of deferred consideration of £0.1 million (2015: £4.3 million (credit)) and;
- costs in relation to restructuring activities of £1.4 million (2015: £1.4 million).

The analysis of auditor's remuneration is as follows:

	2016 £'000	2015 £'000
Fees payable to the Group's auditor for the audit of the LLP's annual accounts	20	20
Fees payable to the Group's auditor for the audit of the LLP's subsidiaries	368	314
Total audit fees	388	334
<i>Fees payable to the Group's auditors for other services:</i>		
Tax compliance services	398	262
Tax advisory services	416	301
Corporate finance services	-	238
Other advisory services	22	1
Total non-audit fees	836	802
Total fees payable to the LLP's auditor	1,224	1,136

AI PERFORM HOLDINGS LLP

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

5. Staff costs

The average monthly number of employees (including Executive Directors of Perform Group Limited) was:

	2016 Nos.	2015 Nos.
Business development and sales	109	125
Account management and marketing	142	140
Production	994	947
Technology	487	246
Administration and management	254	186
Total	1,986	1,644

Employee costs (including Executive Directors of Perform Group Limited) were:

	2016 £'000	2015 £'000
Wages and salaries	61,793	50,907
Social security costs	10,593	6,989
Pension costs	2,072	1,531
Total	74,458	59,427

Staff costs above are shown net of capitalised internal staff cost (refer to note 11). Long-term cash-settled charges were £6.6 million (2015: £4.7 million) and are included within wages and salaries. Refer to note 22 for further details.

Key management costs were:

The Group now considers the Board of Directors and Executive Committee members of Perform Group Limited to be its key management personnel.

	2016 £'000	2015 £'000
Wages and salaries	5,021	4,845
Social security costs	624	598
Pension costs	92	75
Charge for long-term share and cash settled schemes	977	1,695
Total	6,714	7,213

During 2016 the Members considered 16 individuals to be key (2015: 17) (including Executive and Non-Executive Directors).

Directors' Remuneration was:

	2016 £'000	2015 £'000
Emoluments	1,902	1,556
Payments in relation to long-term cash settled schemes	182	-
Company contributions to defined contribution pension schemes	41	33
Total	2,125	1,589

AI PERFORM HOLDINGS LLP

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

6. Finance income

	2016 £'000	2015 £'000
Interest receivable	346	234

Finance income primarily relates to bank interest receivable.

7. Finance costs

	2016 £'000	2015 £'000
Interest on bank overdrafts and loans	16,173	3,005
Interest on shareholder loan	1,666	-
Amortisation of arrangement fees and other bank charges and finance costs	2,697	1,582
Accretion of deferred consideration	1,741	3,426
Total underlying interest and related costs	22,277	8,013
<i>Exceptional finance costs:</i>		
Accelerated amortisation of arrangement fees	-	1,219
Revaluation (gain)/loss of foreign exchange hedge	(869)	1,291
Foreign exchange loss on debt facility	-	461
Total finance costs	21,408	10,984

Finance costs of £21.4 million were recognised in the year (2015: £10.9 million) relating to the following:

- interest, bank fees and related charges (including the amortisation of arrangement fees) due on the Group's senior secured notes and previous term loan and facilities of £18.9 million (2015: £4.6 million);
- Interest on shareholder loan of £1.7 million (2015: £nil)
- accretion of deferred consideration of £1.7 million (2015: £3.4 million);
- £nil accelerated unwind of capitalised arrangement fees (2015: £1.2 million) relating to the termination of the Group's previous term loan and facilities;
- gain on settlement of the Group's foreign exchange hedge of £0.9 million which was used to part fund the acquisition of the remaining 49% of Mackolik in May 2016 (2015: £1.3 million loss); and
- £nil loss on foreign exchange loss on the Group's previous debt facilities (2015: £0.5 million).

AI PERFORM HOLDINGS LLP

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

8. Taxation

	2016 £'000	2015 £'000
Current tax:		
UK current tax at 20.0% (2015: 20.3%)	109	105
Adjustment in respect of prior years	(155)	(971)
Foreign tax:		
Overseas current tax	3,930	5,794
Adjustment in respect of prior years	(745)	674
Withholding tax	605	440
Deferred tax:		
Origination or reversal of temporary differences	3,688	(3,995)
Impact of changes in tax rates	237	850
Adjustment in respect of prior years	(453)	(1,183)
Tax charge/(credit) for the year	7,216	(1,714)

UK corporation tax is calculated at 20.0% (2015: 20.3%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in those jurisdictions. The charge/(credit) for the year can be reconciled to the profit before tax in the Income Statement as follows:

	2016 £'000	2015 £'000
Loss before tax	(71,970)	(5,153)
Non-taxable profit arising in Parent LLP	-	1,397
Taxable loss before tax	(71,970)	(3,756)
Tax at weighted average UK corporation tax rate of 20.0% (2015: 20.3%)	(14,394)	(762)
Effects of:		
Tax effect of amounts not deductible in determining taxable profit	265	1,150
Prior year adjustments	(1,353)	(1,480)
Change in UK tax rate on deferred tax balances	339	850
Effects of different tax rates of subsidiaries operating in other jurisdictions	(1,675)	(2,275)
Non-recognition of losses	23,084	3,836
Other unrecognised deferred tax	345	395
Withholding tax	605	-
Tax charge/(credit)	7,216	(1,714)

A reduction in the UK corporation tax rate from 21% to 20% was effective from 1 April 2015. Reductions to the corporation tax rate to 19% (effective from 1 April 2017) and 17% (effective from 1 April 2020) were substantively enacted as at 31 December 2016. This will reduce future current tax charges accordingly. The deferred tax asset on UK tax losses at 31 December 2016 has been calculated based on the rate of 17% being the rate expected to be in force at the time the losses are anticipated to be utilised. The deferred tax asset on UK fixed asset temporary differences at 31 December 2016 has been calculated based on a rate of 17% being the rate expected to be in force at the time the temporary difference is expected to reverse i.e. once the tax losses have been utilised.

AI PERFORM HOLDINGS LLP

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

9. Goodwill

£'000

Cost and Net Book Value

At 1 January 2015	195,546
Retranslation of goodwill of foreign operations at closing rate	(6,473)
At 31 December 2015	189,073
 Additions	 1,222
Retranslation of goodwill of foreign operations at closing rate	12,948
At 31 December 2016	203,243

During the prior year the Group determined that the lowest level that goodwill is internally monitored for impairment purposes is at a divisional level due to the changes in the internal reporting structure, effective 1 January 2015 – accordingly the Group has identified two cash-generating unit ("CGU") for impairment testing purposes for 2016 being Content and Media.

The carrying amount of goodwill allocated to Content at 31 December 2016 is £184 million. The carrying amount of goodwill allocated to Media at 31 December 2016 is £18 million.

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired. The Group compares the carrying amount of the unit (including goodwill) to the recoverable amount of the unit.

The recoverable amount of the CGU's are determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the period. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGU. Changes in selling prices, volumes and direct costs are based on past experience and expectations of future changes in the market.

Recoverable amounts for the cash-generating units were calculated using cash flows calculated for four years as forecast and approved by Management. For both CGU's, a long-term growth rate of 2.5% (2015: 2.5%) was applied in order to extrapolate cash flow projections beyond this period into perpetuity. For both CGU's, the cash flows were discounted using a pre-tax discount rate of 10% (2015: 11%). In determining the discount rate, Management applied judgement in respect of several factors which included assessing the risk attached to the future cash flows and making reference to the capital asset pricing model (the "CAPM") to determine the pre-tax discount rate. Management gave consideration to the selection of appropriate inputs to the CAPM, which included the risk free rate, the equity risk premium and a measure of systematic risk.

The Group has conducted a sensitivity analysis taking into consideration the impact on key impairment test assumptions arising from a range of possible trading and economic scenarios. The sensitivity scenarios applied are summarised below:

- An increase in the discount rate by 2%;
- A decrease of 5% on forecast EBITDA over the term; and
- A decrease of 20% on the long-term growth rate.

The sensitivity analysis shows that no impairment would result from any of the above sensitivities individually, or all of them combined.

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NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

10. Acquisition intangibles

	Trademarks and domain names £'000	Information technology architecture £'000	Customer relationships £'000	Content £'000	Other £'000	Total £'000
Cost						
At 1 January 2015	23,201	24,670	28,767	285	2,053	78,976
Effect of movement in foreign exchange	(503)	(732)	(838)	-	(43)	(2,116)
At 31 December 2015	22,698	23,938	27,929	285	2,010	76,860
Opening balance reclassification in respect of foreign currency revaluation	(98)	389	(4,621)	-	73	(4,257)
Additions	-	-	528	-	-	528
Effect of movement in foreign exchange	3,250	2,911	1,697	-	331	8,189
At 31 December 2016	25,850	27,238	25,533	285	2,414	81,320
Accumulated amortisation						
At 1 January 2015	3,154	6,680	6,589	285	293	17,001
Charge for the year	1,214	2,538	2,187	-	17	5,956
Effect of movement in foreign exchange	(60)	(156)	(164)	-	(5)	(385)
At 31 December 2015	4,308	9,062	8,612	285	305	22,572
Opening balance reclassification in respect of foreign currency revaluation	(1,188)	(707)	(2,382)	-	20	(4,257)
Charge for the year	1,380	2,745	2,154	-	86	6,365
Effect of movement in foreign exchange	531	1,144	558	-	130	2,363
At 31 December 2016	5,031	12,244	8,942	285	541	27,043
Net book value						
At 31 December 2015	18,390	14,876	19,317	-	1,705	54,288
At 31 December 2016	20,819	14,994	16,591	-	1,873	54,277

Individually significant acquisition-related intangibles included:

- Goal.com trademarks and domain names which had a carrying value of £8.3 million at 31 December 2016 (2015: £7.1 million) and a remaining useful economic life of 16 years (2015: 15 years);
- Opta trademarks and domain names which had a carrying value of £4.0 million at 31 December 2016 (2015: £4.0 million) and a remaining useful economic life of 16 years (2015: 15 years);
- Sporting News trademarks and domain names which had a carrying value of £4.0 million at 31 December 2016 (2015: £3.3 million) and a remaining useful economic life of 16 years (2015: 15 years);
- RunningBall software intangibles which had a carrying value of £11.2 million at 31 December 2016 (2015: £10.3 million) and a remaining useful economic life of 6 years (2015: 7 years);
- RunningBall customer relationship intangibles which had a carrying value of £6.9 million at 31 December 2016 (2015: £6.7 million) and a remaining useful economic life of 8 years (2015: 9 years); and
- Opta customer relationship intangibles which had a carrying value of £7.3 million at 31 December 2016 (2015: £8.2 million) and a remaining useful economic life of 8 years (2015: 9 years)

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NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

11. Other intangible assets

	Computer software development £'000
Cost	
At 1 January 2015	35,662
Additions	15,219
Disposal	(135)
At 31 December 2015	50,746
Additions	21,784
At 31 December 2016	72,530
Accumulated amortisation	
At 1 January 2015	15,854
Charge for the year	10,252
Effect of movement in foreign exchange	96
Disposal	(44)
At 31 December 2015	26,158
Charge for the year	12,304
Effect of movement in foreign exchange	46
At 31 December 2016	38,508
Net book value	
At 31 December 2015	24,588
At 31 December 2016	34,022

Included within additions to computer software development in 2016 is £9.9 million (2015: £8.1 million) of capitalised internal staff costs.

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NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

12. Property, plant and equipment

	Freehold land £'000	Internet hosting Platform £'000	Office furniture and equipment £'000	Leasehold improvements £'000	Motor vehicles £'000	Total £'000
Cost						
At 1 January 2015	290	24,543	3,194	3,717	37	31,781
Additions	-	7,410	144	1,540	5	9,099
At 31 December 2015	290	31,953	3,338	5,257	42	40,880
Additions	-	13,902	78	4,507	-	18,487
Effect of movement in foreign exchange	-	529	187	221	-	937
At 31 December 2016	290	46,384	3,603	9,985	42	60,304
Accumulated depreciation						
At 1 January 2015	-	17,449	1,834	850	27	20,160
Charge for the year	-	3,901	595	1,386	11	5,893
At 31 December 2015	-	21,350	2,429	2,236	38	26,053
Charge for the year	-	6,948	488	2,460	4	9,900
Effect of movement in foreign exchange	-	235	118	75	-	428
At 31 December 2016	-	28,533	3,035	4,771	42	36,381
Net book value						
At 31 December 2015	290	10,603	909	3,021	4	14,827
At 31 December 2016	290	17,851	568	5,214	-	23,923

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NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

13. Trade and other receivables

	2016 £'000	2015 £'000
Gross trade receivables	46,937	41,934
Provision for impairment of trade receivables	(3,870)	(897)
Net trade receivables	43,067	41,037
Other receivables	5,343	392
Total trade and other receivables	48,410	41,429

The provision for impairment of trade receivables relates to impaired invoices which are over one year due.

Trade receivables are stated at amortised cost as reduced by appropriate allowances for estimated irrecoverable amounts.

The due date for trade receivables will vary depending on the jurisdiction and product but is typically between 30 and 90 days. Trade receivables do not bear any effective interest rate. All trade receivables are subject to credit risk exposure, however, the Group has not identified specific concentration of credit risk with regards to trade receivables, as the amount recognised consists of a large number of receivables from various customers.

Movements on the Group provision for impairment of trade receivables are set out in the table below:

	2016 £'000	2015 £'000
At 1 January	897	1,016
Additional provision	4,824	480
Utilisation of provision	(1,851)	(599)
At 31 December	3,870	897

The creation and release of provisions for impaired receivables has been included in the Income Statement. Amounts charged to the provision account are generally written off when there is no expectation of recovering additional cash.

The other classes within trade and other receivables do not contain impaired assets.

Some of the unimpaired trade receivables are past due as at the reporting date. Financial assets past due but not impaired are shown below:

	2016 £'000	2015 £'000
Not more than three months	15,001	6,695
More than three months but not more than six months	4,378	4,822
More than six months but not more than a year	3,612	4,996
More than one year	1,918	1,440
Total	24,909	17,953

The average credit period taken is 60 days (2015: 60 days).

Unimpaired trade receivables past due have a natural contra with trade payables of £2.2 million.

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

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NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

14. Prepayments

Prepayments and accrued income balances are set out below:

	2016 £'000	2015 £'000
Prepayments for acquiring content and rights	126,752	38,027
Unbilled advertising, distribution and technology related revenues	21,614	15,658
Other prepaid costs	9,306	4,046
	157,672	57,731

15. Cash and cash equivalents

	2016 £'000	2015 £'000
Cash	135,013	129,559

Cash was held in a variety of interest bearing accounts.

Net debt

	2016 £'000	2015 £'000
Cash and cash equivalents	135,013	129,559
Borrowings	(296,426)	(269,422)
Net debt	(161,413)	(139,863)

16. Trade and other payables

	2016 £'000	2015 £'000
Trade payables	21,904	10,220
Accruals	62,976	34,514
Deferred income	36,313	3,301
Other creditors	3,128	7,804
	124,321	55,839

The average credit period taken for trade purchases is 49 days (2015: 27 days).

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

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NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

17. Acquisition-related financial liabilities

The following table summarises and reconciles acquisition-related deferred consideration recorded in the financial statements (and includes the Group's final settlement to the owners of the non-controlling interest in Mackolik)

	At 1 January 2016 £'000	Recognised on acquisition or re-measured £'000	Unwind of discount applied to FV initial liability £'000	Service related charge £'000	Payment £'000	FX £'000	At 31 December 2016 £'000	Due in < 1 year £'000	Due after > 1 year £'000
Mackolik	28,461	154	1,644	-	(30,202)	(57)	-	-	-
Voetbalzone	3,086	-	97	-	(3,391)	208	-	-	-
	31,547	154	1,741	-	(33,593)	151	-	-	-

2015 comparative information:

	At 1 January 2015 £'000	Recognised on acquisition or re-measured £'000	Unwind of discount applied to FV initial liability £'000	Service related charge £'000	Payment £'000	FX £'000	At 31 December 2015 £'000	Due in < 1 year £'000	Due after > 1 year £'000
Mackolik	22,614	7,772	2,824	29	(1,394)	(3,384)	28,461	28,461	-
Spox	1,158	(498)	-	-	(690)	30	-	-	-
Voetbalzone	7,108	(296)	440	-	(3,646)	(520)	3,086	3,086	-
Activaweb	3,739	-	119	-	(3,482)	(376)	-	-	-
	34,619	6,978	3,383	29	(9,212)	(4,250)	31,547	31,547	-

AI PERFORM HOLDINGS LLP

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

18. Borrowings

	2016 £'000	2015 £'000
Current borrowings	103,609	1,859
Non-current borrowings	192,817	267,563
	296,426	269,422

On 16 November 2015, Perform Group Financing plc, a wholly-owned subsidiary of Perform Group Limited, issued £175.0 million aggregate principal amount of 8.5% senior secured notes (The "Notes") due 2020. On the same date, certain members of the Group entered into a new multi-currency revolving credit facility of £50.0 million (the "RCF") (and together with the Issuance of the Notes, the "Refinancing Transactions").

The purpose of the Refinancing Transactions was to, amongst other things, fund the launch of the OTT Business (as defined in the Group's Offering Memorandum dated 11 November 2015 (the "Offering Memorandum")), repay the amounts drawn under, and terminate, the Old RCF and to fund contractual commitments to pay contingent consideration in respect of certain of the Group's historical acquisitions.

The senior secured notes were issued at a discount of £3.5 million and were subject to directly attributable arrangement fees of £7.8 million. The carrying value of the discount and fees at 31 December 2016 is £8.0 million (2015: £11.0 million). Interest of £1.9 million (2015: £1.9 million) has also accrued but not been paid at 31 December 2016. The carrying value of borrowings is presented net of fees but includes accrued interest.

The Group has pledged certain assets (which are set out below) as collateral against the senior secured notes. The Group is entitled to receive all cash flows from these pledged assets. Further, there is no obligation to remit these cash flows to another entity. The pledged assets are:

- shares in certain wholly owned subsidiaries;
- property in certain wholly owned subsidiaries; and
- substantially all other assets (including bank accounts, intragroup receivables (including the OTT Business Shareholder Loan), trade receivables, patents, trademarks, service marks, designs, business names, copyrights, designs, design rights and domain names, whether registered or unregistered) in certain wholly owned subsidiaries.

In June 2016 the Group drew down £26.0 million under the RCF and provided it to the OTT business.

On 10 August 2016, Perform Investment Limited, a wholly owned subsidiary of the Group and part of the Unrestricted Group, entered into a loan facility agreement ("the Facility") with AI International S.á.r.l, part of Access Industries, the Group's principal shareholder. Perform Investment Limited can utilise the Facility by drawing down in two tranches of up to £50.0 million, the first tranche of which was drawn down on 10 August 2016, and the second tranche on 21 December 2016. The amount drawn down has been presented within non-current borrowings on the balance sheet. The Facility attracts an interest rate of 8%, which is compounded annually and accrued interest of £1.7 million has been included within current borrowings on the balance sheet. Any amounts outstanding in relation to the Facility will be repaid on the earlier of 12 August 2019 or upon the occurrence of certain equity conversion events.

Subsequent to the end of the reporting period, on 8 August 2017, the Shareholder Loan was amended and restated from £100.0 million to £350.0 million, £350.0 million of which has been drawn down. None of the principal terms of the Shareholder Loan were altered as part of the amendment and restatement.

On 23 December 2014, the LLP entered into loan agreements of £100.2 million and £1.1 million with two Members of the LLP. The loans have a maturity of 23 December 2017 and an interest rate of 0.34%. As of 31 December 2016, accrued interest on the loans totalled £0.5 million (2015: £0.35 million).

In September 2015, the LLP entered into loan agreements totalling £1.9 million with an affiliate of the LLP. The loans mature in September 2018 and have an interest rate of 0.54%. As of 31 December 2016, accrued interest on the loans totalled £0.010 million (2015: £0.004 million).

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NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

19. Financial risk management

The Group's activities expose it to a variety of financial risks. The main financial risks faced by the Group relate to capital risk, foreign exchange rates, interest rate risks, the risk of default by counterparties to financial transactions and liquidity risk. These risks are managed as described below.

The Group's financial risk management is co-ordinated at its headquarters, in close co-operation with the board of Directors, and focuses on actively securing the Group's short to medium-term cash flows by minimising the exposure to financial markets.

The Group does not actively engage in the trading of financial assets for speculative purposes. The most significant financial risks to which the Group is exposed are described below.

Capital risk

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern whilst having enough capital to continue its acquisition strategy and sustain future product development. The Group will continue to seek to maximise the return to shareholders through the optimisation of the debt and equity balance although this is a longer-term aspiration. The Group's overall strategy has not changed in the last year.

The capital structure of the Group consists of net funds, which includes cash and cash equivalents after deducting the borrowings disclosed in note 18, and equity of the Group, comprising issued capital, reserves and retained earnings.

The primary reason for the Group to raise debt or equity is to finance its acquisitions and product expansion.

The Group's Directors review the capital structure on an ad-hoc basis and consider the impact any acquisitions and new products (and how they are financed) have on the Group's capital structure before completing any acquisition (or financing). As part of this review the Board considers the cost of capital and the risks associated with each class of capital.

The Group had a gearing ratio of 289.6% at 31 December 2016 (2015: 185.5%). The ratio has increased in the year due to Refinancing Transactions to fund the launch of the OTT Business.

The gearing ratio at the year-end is as follows:

	2016 £'000	2015 £'000
Debt	296,426	269,422
Equity	102,354	145,232
Debt to equity ratio	289.6%	185.5%

Debt is defined as all borrowings and equity includes all capital and reserves of the Group that are managed as capital.

Due to the current fast growth and acquisitive nature of the Group, the Group does not currently have a long-term target gearing ratio. The Group also has no current policy as to the level of equity capital and other reserves other than to address statutory requirements.

The Group currently does not envisage paying a dividend in the short term.

AI PERFORM HOLDINGS LLP

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

19. Financial risk management (continued)

The fair value of the Group's financial assets and liabilities is as follows:

Categories of financial instruments

	2016 £'000	2015 £'000
Financial assets		
Cash and cash equivalents	135,013	129,559
Trade and other receivables	48,410	41,429
Prepayments	157,672	57,731
Financial liabilities		
Trade and other payables	(124,322)	(55,839)
Acquisition-related financial liabilities	-	(31,547)
Current borrowings	(103,609)	(1,859)
Non-current borrowings	(192,817)	(267,563)

Currency risk

The table below shows the carrying amount of the Group's foreign currency denominated monetary assets and liabilities at the reporting date:

	Euro £'000	US Dollar £'000	Japanese ¥ £'000	Other currencies £'000	Total £'000
2016					
Financial assets	24,912	21,168	43,671	12,337	102,088
Financial liabilities	(17,170)	(7,958)	(4,887)	(1,818)	(31,833)
Total exposure	7,742	13,210	38,784	10,519	70,255
2015					
Financial assets	18,098	24,952	1,017	17,078	61,145
Financial liabilities	(10,349)	(108,341)	(205)	(29,564)	(148,459)
Total exposure	7,749	(83,389)	812	(12,486)	(87,314)

Exposures to currency exchange rates arise from the Group's retranslation of its foreign subsidiaries as well as the Group's overseas sales and purchases, which are primarily denominated in euros and US dollars.

The following table illustrates the sensitivity of the net result for the year and equity with regard to the Group's financial assets and financial liabilities and the euro/sterling exchange rate and the US dollar/sterling rate. It assumes a +/- 15% movement in each exchange rate on both years. These percentages have been determined based on the average market volatility in exchange rates in the previous 12 months.

If sterling had weakened by 15% then this would have had the following impact:

	2016			2015		
	US Dollar	Euro	Japanese ¥	US Dollar	Euro	Japanese ¥
	£'000	£'000	£'000	£'000	£'000	£'000
Net profit	3,654	1,471	3,280	188	734	44
Equity	(401)	12,878	(3,033)	1,414	752	111

AI PERFORM HOLDINGS LLP

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

19. Financial risk management (continued)

Currency risk (continued)

If sterling had strengthened by 15% then this would have had the following impact:

	US Dollar	2016 Euro	Japanese ¥	US Dollar	2015 Euro	Japanese ¥
	£'000	£'000	£'000	£'000	£'000	£'000
Net profit	(2,700)	(1,087)	(2,424)	(154)	(600)	(33)
Equity	297	(9,519)	2,242	(1,157)	(616)	(82)

The Group's objective when managing currency risk is to ensure that changes in exchange rates would not have a material impact on the Group. The Group's policy is to review the level of revenues and costs denominated in various key currencies and to naturally hedge wherever possible. Where this is not possible and a currency risk is forecast the Directors' strategy is to acquire forward options to mitigate the level of risk.

Interest rate risk

The Group is exposed to interest rate risk because the Group borrows funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings. Refer to note 18 for further details on borrowings.

The Group's exposure to interest rates on financial assets and liabilities are detailed in the liquidity risk management section of this note.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate as a means of mitigating the risk of financial loss from defaults. The Group uses publicly available financial information and its own trading records to assess the creditworthiness of counterparties. The Group continually monitors its exposure to counterparties and the aggregate value of transactions concluded is spread amongst approved counterparties.

Cash held by counterparty is presented to the Board on a monthly basis. The credit risk on these funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas.

The Group does not have any significant credit risk exposure to any other single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities. Concentration of credit risk to any counterparty did not exceed 5% of gross monetary assets at any time during the year.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Liquidity risk

Liquidity risk is managed by short and long-term cash flow forecasts. Sufficient cash reserves are held to meet short-term working capital requirements.

As at 31 December 2016 and 2015, the Group's undiscounted non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarised below:

AI PERFORM HOLDINGS LLP

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

19. Financial risk management (continued)

Liquidity risk (continued)

	Current within 6 months £'000	Current 6 to 12 months £'000	Non-current 1 to 5 years £'000	Non-current later than 5 years £'000
31 December 2016				
Trade payables	21,885	-	-	-
Senior secured notes	-	-	175,000	-
Borrowings	-	-	192,817	-
Interest on senior secured notes	7,438	7,438	44,625	-
Interest on borrowings	-	-	514	-
Interest and repayment of Shareholder Loan	101,666	-	-	-
	130,989	7,438	412,956	-
	Current within 6 months £'000	Current 6 to 12 months £'000	Non-current 1 to 5 years £'000	Non-current later than 5 years £'000
31 December 2015				
Trade payables	10,220	-	-	-
Senior secured notes	-	-	175,000	-
Borrowings	-	-	103,221	-
Interest on senior secured notes	7,438	7,438	59,499	-
Interest on borrowings	-	-	355	-
Deferred consideration	33,128	-	-	-
	50,786	7,438	338,075	-

Financial instruments fair value disclosure

Financial instruments that are measured at fair value in the consolidated financial statements require disclosure of fair value measurements by level based on the following fair value measurement hierarchy:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The fair values of financial assets and liabilities are based on quoted market prices where available. Where the market value is not available, the Group has estimated relevant fair values on the basis of publicly available information from outside sources or on the basis of discounted cash flow models where appropriate.

The Group holds senior secured notes and RCF (refer to note 18 for further details) categorised as Level 1. All other financial instruments of the Group are categorised as Level 3. There have been no transfers of assets or liabilities between levels of the fair value hierarchy during the year.

The senior secured notes have a carrying value of £167.0 million and a fair value of £176.2 million as at 31 December 2016.

With the exception of the senior secured notes, the Directors consider that the carrying values of financial assets and liabilities recorded at amortised cost in the consolidated financial statements are appropriately equal to their fair value.

AI PERFORM HOLDINGS LLP

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

20. Deferred tax

The following is the analysis of the deferred tax balances for financial reporting purposes:

	2016 £'000	2015 £'000
Deferred tax assets	5,867	7,487
Deferred tax liabilities	(10,508)	(11,185)
	(4,641)	(3,698)
	2016 £'000	2015 £'000
Deferred tax movement		
1 January	38	(8,095)
Acquisition of subsidiaries	-	-
(Charge)/credit to income statement	(3,472)	4,328
FX Reserves	(1,207)	69
31 December	(4,641)	(3,698)
	At 31 December 2016 £'000	At 31 December 2015 £'000
Analysis of deferred tax		
Capital allowances in excess of depreciation	2,250	3,273
Share-based payments	954	718
Losses	2,662	3,335
Acquisition intangibles	(10,507)	(10,676)
Other	-	(348)
Total	(4,641)	(3,698)

In addition to the amounts set out above the Group has an unrecognised deferred tax asset at 31 December 2016 of £23.9 million (2015: £2.0 million) relating to trading losses and £6.3 million relating to capital losses (2015: £6.3 million). The Directors have considered cash-flow forecasts and budgets for future years showing profitability and top line growth for the UK entities within the Group. As at 31 December 2016 deferred tax assets in respect of losses have been recognised to the extent that brought forward losses are expected to be recoverable. The current year deferred tax charge includes £4.2 million to de-recognise deferred tax on losses recognised in previous periods.

No deferred tax liability is recognised in respect of temporary timing differences of £0.8 million (2015: £0.5 million) relating to unremitted earnings of overseas subsidiaries as the Group is able to control the timing of the reversal of these temporary differences and it is probable that they will not reverse in the foreseeable future.

AI PERFORM HOLDINGS LLP

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

21. Other reserves

	2016 £'000	2015 £'000
1 January	44,166	49,993
Payments of dividends to non-controlling interests	2,258	1,394
Adjustment arising from change in non-controlling interest*	(46,424)	(7,221)
31 December	-	44,166

* The remaining shares of Mackolik were purchased on 16 May 2016; therefore any profit previously contained within other reserves has been moved into retained earnings. Refer to note 23 for further details.

22. Non-controlling interests

	2016 £'000	2015 £'000
Perform Group Limited	22,217	33,617
Mackolik Internet Hitzmetleri Ticaret A.S.	-	3,248
Perform Media Sales Japan K.K.	(613)	(390)
	21,604	36,475

22. Long-term incentive schemes

A total charge relating to the Group's long-term incentive schemes of £6.6 million (2015: £4.7 million) has been included in the income statement for the year ended 31 December 2016.

In order to ensure appropriate retention arrangements were in place following the takeover in October 2014 by Access Industries it was agreed, with regards to the 2013 and 2014 performance share plans, that the Group will make cash payments equal to the difference between the award holders received on vesting of their awards (with reference to the £2.60 price paid per share by Access), and what they would have received on full vesting of their awards (also calculated at £2.60 per share). Accordingly, after accounting for leavers, 50% of the April 2013 awards and 83% of the 2014 awards were converted into replacement cash awards. These cash awards would become payable, subject to the participants continued employment and the meeting of financial performance criteria, on or around, the same date that the unvested portions of the PSP awards would otherwise have come to maturity, being April 2016 for the 2013 awards and April 2017 for the 2014 awards.

The amount of the cash awards will be determined by the level of business performance against revenue and Adjusted EBITDA targets. The total value of these awards at inception was calculated as £7.3 million and this is being spread over the vesting period. As such charges have been recognised in respect of these cash replacement schemes of £2.4 million for the year ended 31 December 2016 (2015: £3.4 million).

Furthermore, the Group has put in place long-term cash-based schemes in April 2015 and April 2016 that will vest in April 2018 and April 2019 respectively. The amount of the payment will be determined by the level of business performance against revenue and EBITDA targets over a three year period and the cost of each scheme will be spread over the vesting period. As such charges have been recognised in respect of these schemes of £4.2 million in the year ended to 31 December 2016 (2015: £1.3 million).

In 2015 Company issued 5,450 "I shares", a new class of non-voting share, to certain members of its senior management. Each I share only secures ownership rights or economic benefits in the event that certain growth and other criteria are met. The fair value of each I share at grant was calculated using a Black Scholes valuation model, in accordance with IFRS 2. The overall fair value determined in accordance with IFRS 2 is £0.2 million and is being charged to the income statement over the three and a half year vesting period to November 2018. As such a charge of £90,000 has been recognised in respect of this scheme in the year to 31 December 2016.

AI PERFORM HOLDINGS LLP

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

23. Acquisitions

Mackolik Internet Hizmetleri Ticaret AS

On 16 May 2016, the Group acquired the remaining 49% interest in Mackolik Internet Hizmetleri, taking its holding to 100%. The consideration paid for this 49% interest was £27.9 million (TRY 121.4 million) plus £2.2 million of dividends (TRY 9.0 million). The remaining balances associated with Mackolik contained within the non-controlling interest and other reserves have been re-cycled to the profit and loss reserve.

Voetbalzone BV

On 1 April 2016 the Group made the final payment of £3.4 million (€4.3 million) related to the acquisition of Voetbalzone B.V.

Fantasy iTeam Ltd and Fantasy iTeam Investments Limited

On 12 August 2016, the Group acquired 100% of Fantasy iTeam Ltd and Fantasy iTeam Investments Limited for consideration of £1.5 million.

24. Commitments

(a) Operating leases

As at 31 December 2016, the Group had total outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2016 £'000	2015 £'000
Within one year	6,545	3,110
In the second to fifth years inclusive	14,403	6,760
After five years	4,403	3,227
	25,351	13,097

Operating lease payments represent rentals payable by the Group for office property and computer equipment costs.

(b) Rights commitments

As at 31 December 2016, the Group had total outstanding commitments to acquire sports content rights as follows:

	2016 £'000	2015 £'000
Within one year	315,327	118,611
In the second to fifth years inclusive	914,602	246,311
After five years	1,317,696	136,095
	2,547,625	501,017

AI PERFORM HOLDINGS LLP

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

25. Related parties

Related party transactions in the year are as follows:

- On 10th August 2016, Perform Investment Limited, a wholly owned subsidiary of the Group and part of the Unrestricted Group, entered into a loan facility agreement with AI International S.á.r.l, an entity in the Access Industries group, the Group's principal shareholder. Perform Investment Limited has utilised the Facility by drawing down in two tranches of £50.0 million, the first tranche of which was drawn down on 10th August 2016, and the second tranche on 21st December 2016, subject to certain conditions. Refer to note 18 for further details.
- On 20th September 2016, a private investor made an investment of £35.0 million in the capital of the Company in exchange for the issuance of 4,634,502 of a new class of 'Z' ordinary shares in the capital of the Company, which comprises 1.72% of the share capital of the Company upon completion of the investment.
- During the year, the Group issued an unsecured personal loan of £370,000 to a Director of one of the Group's subsidiary companies. The loan does not attract interest and is not repayable for a period of at least 24 months from the balance sheet date. The total loan amount was outstanding at the end of the reporting period.

There are no additional related party transactions to disclose, with the exception of those in relation to key management personnel which are presented in note 5.

26. Contingent liabilities

There were no material contingent liabilities at the year-end (2015: £nil).

27. Ultimate controlling party

The immediate holding company of the LLP is AI Perform Holdings LLC, a limited liability company organised in the United states. AI Perform Holdings LLP and AI Perform Holdings LLC are ultimately controlled by Len Blavatnik.

The registered office of AI Perform Holdings LLP is 6th Floor, Marble Arch House, 66 Seymour Street, London, W1H 5BT.

Copies of AI Perform Holdings LLP consolidated financial statements will be available from Companies House.

28. Post balance sheet events

Subsequent to the end of the reporting period, on 8 August 2017, the Shareholder Loan was amended and restated from £100.0 million to £350.0 million, £350.0 million of which has been drawn down. None of the principal terms of the Shareholder Loan were altered as part of the amendment and restatement.

There have been no other material post balance sheet events to disclose.

AI PERFORM HOLDINGS LLP

**PARENT LIMITED LIABILITY PARTNERSHIP STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016**

	Notes	2016 £'000	2015 £'000
Non-current assets			
Investment in Perform Group Ltd		399,918	399,918
		399,918	399,918
Current assets			
Cash and cash equivalents		132	10
Derivative asset		8,000	-
		8,132	10
Total assets		408,050	399,928
Current liabilities			
Trade and other payables		(19)	(20)
		(19)	(20)
Net current assets/(liabilities)		8,113	(10)
Non-current liabilities			
Non-current borrowings		(124,991)	(103,576)
		(124,991)	(103,576)
Total liabilities		(125,010)	(103,596)
Net assets		283,040	296,332
Equity			
Members capital classified as equity		302,752	302,752
Other reserves		(25,864)	(5,015)
Retained earnings		6,152	(1,405)
Total equity		283,040	296,332

The financial statements of AI Perform Holdings LLP (registered number OC396393) were approved by the Members and authorised for issue on 22 August 2017.



Access Industries Management, LLC
Designated member
Richard Storey

AI PERFORM HOLDINGS LLP

**PARENT LIMITED LIABILITY PARTNERSHIP STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2016**

	Members capital classified as equity £'000	Other reserve £'000	Retained earnings £'000	Total equity £'000
At 1 January 2015	-	-	-	-
FX on translation to presentational currency	-	(5,015)	-	(5,015)
Loss for the year	-	-	(1,405)	(1,405)
Total comprehensive income for the year	-	(5,015)	(1,405)	-
Capital contributions	302,752	-	-	302,572
At 31 December 2015	302,752	(5,015)	(1,405)	296,332
FX on translation to presentational currency	-	(20,849)	-	(20,849)
Issuance of derivative asset	-	-	8,000	8,000
Loss for the year	-	-	(443)	(443)
Total comprehensive income for the year	-	(20,849)	7,557	(13,292)
At 31 December 2016	302,752	(25,864)	6,152	283,040

AI PERFORM HOLDINGS LLP

NOTES TO THE PARENT LIMITED LIABILITY PARTNERSHIP FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. Accounting policies

AI Perform Holdings LLP (the "LLP") is a limited liability partnership incorporated in England and Wales under the Limited Liability Partnerships Act 2000. The LLP owns a majority portion of Perform Group Limited ("Perform"), a global market leader in the commercialisation of multimedia sports content across multiple Internet-enabled digital platforms.

The address of the registered office is Marble Arch House, 6th Floor, 66 Seymour Street, London W1H5BT.

The presentational currency of these financial statements is in pounds sterling. Foreign operations are included in accordance with the policies set out below.

Basis of accounting

The LLP meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. These LLP financial statements were prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council.

The LLP has applied FRS 101 'Reduced Disclosure Framework' incorporating the Amendments to FRS 101 issued by the FRC in July 2015 other than those relating to legal changes and has not applied the amendments to LLP law made by The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015 that are effective date of accounting periods beginning on or after 1 January 2016.

These LLP financial statements form part of the Consolidated Group financial statements prepared under IFRS as adopted by the EU and can be found at the front of this document.

As permitted by FRS 101, the LLP has taken advantage of the disclosure exemptions available under that standard in relation to share-based payment, financial instruments, capital management and presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective and related party transactions. Where required, equivalent disclosures are given in the Group accounts of the LLP.

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards and Company law.

The principal accounting policies adopted are the same as those set out in note 1 to the consolidated financial statements except as noted below.

Exemptions

The Members have taken advantage of the exemption available under section 408 of the Companies Act 2006 and not presented a profit and loss account for the LLP alone.

The LLP had a loss for the period of £0.4 million (2015: £1.4 million)

Going concern

The financial statements have been prepared using the going concern basis of accounting.

Investments in subsidiaries

Fixed asset investments are shown at cost less provision, if any, for impairment.

Members' interests

The profit, if any, in respect to each financial period shall be divided between the Members in accordance with the LLP agreement, and shall be paid to the relevant Members, unless the Members opt to retain profit in the LLP or distribute profits by way of equity contribution.

Taxation

The LLP is a private limited partnership incorporated in England and Wales under the Limited Liability Partnerships Act 2000. As such, it is not a taxable entity and no tax liability has been recorded.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the LLP's accounting policies, the Members are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

AI PERFORM HOLDINGS LLP

NOTES TO THE PARENT LIMITED LIABILITY PARTNERSHIP FINANCIAL STATEMENTS
(CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016

1. Accounting policies (continued)

Critical accounting judgements and key sources of estimation uncertainty (continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the LLP's accounting policies

There are no critical judgements that the Members believe have a significant effect on the amounts recognised in these financial statements.

Key sources of estimation uncertainty

The key estimates and assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Impairment of investments in subsidiaries

Determining whether the LLP's investments in subsidiaries have been impaired requires estimations of the investments value in use. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the investment and a suitable discount rate in order to calculate the present value.

2. Investment in subsidiaries

	2016	2015
Investments in subsidiaries	399,918	399,918
	399,918	399,918

The investments in subsidiaries are all stated at cost less provision for impairment.

AI PERFORM HOLDINGS LLP

NOTES TO THE PARENT LIMITED LIABILITY PARTNERSHIP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

2. Investments in subsidiaries (continued)

Details of the LLP's subsidiaries at 31 December 2016 are as follows. Unless otherwise indicated, all ownership interests are in the ordinary share capital of the investee.

Subsidiaries:	Proportion of all classes of issued share capital owned by the Company	Principal activity	Registered Office
Direct holdings of the Company			
Perform Group Limited	86%	Holding company	Hanover House, Plane Tree Crescent, Feltham, Middlesex TW13 7BZ ('Hanover House')
Indirect holdings of the Company			
Perform Media Services Limited	100%	Digital sports media	Sussex House, Plane Tree Crescent, Feltham, TW13 7HE, UK ('Sussex House')
Perform Midco Limited	100%	Holding company	Hanover House
Perform Group Financing PLC	100%	Holding company	Hanover House
Perform Media Sales Limited	100%	Online advertising and sponsorship sales	Sussex House
Perform Media Channels Limited	100%	Digital sports media	Sussex House
Perform Investment Limited	100%	Digital sports media	Hanover House
Perform SCA Limited	100%	Digital sports media	Hanover House
Perform Netherlands BV	100%	Holding company	Prins Bernhardplein 200, Het Amstelgebouw 9th floor, 1097 JB Amsterdam, The Netherlands ('Prins Bernhardplein')
Watchandtrade Limited	100%	Digital sports media	21F Enterprise Road, Bangor, County Down, BT19 7TA
Fantasy iTeam Investments Limited	100%	Digital sports media	Hanover House
Fantasy iTeam Ltd	100%	Digital sports media	Hanover House
Opta Sports Data Limited	100%	Sports data provider	Sussex House
Classic Sport Limited	100%	Dormant	Sussex House
Willow TV (UK) Limited	100%	Dormant	Sussex House
Pangorights Limited	100%	Dormant	Hanover House
Perform South America Limited	50%	Holding company	Hanover House
PFPSA B.V.	50%	Holding company	Prins Bernhardplein
PSN Holdco Limited	100%	Holding company	Hanover House
Perform Sporting News Limited	100%	Digital sports media	Sussex House
PSN Midco, Inc.	100%	Holding company	c/o United Corporate Services, Inc., 874 Walker Rd., Suite C, Dover, Delaware 19904
Perform Sporting News (1) LLC	100%	Digital sports media	120 W. Morehead Street, Charlotte, NC, 28202 ('Morehead Street')
Perform Sporting News (2) LLC	100%	Digital sports media	Morehead Street
Perform Investment Brands Limited	100%	Holding company	Hanover House
Perform Investment Japan Holdco Limited	100%	Holding company	Hanover House
Perform Investment Germany Holdco Limited	100%	Holding company	Hanover House

AI PERFORM HOLDINGS LLP

NOTES TO THE PARENT LIMITED LIABILITY PARTNERSHIP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

Subsidiaries:	Proportion of all classes of issued share capital owned by the Company	Principal activity	Registered Office
Perform Investment Japan KK	100%	Digital sports media	4F Cross Place Hamamatsucho, 1-7-6 Shibakoen, Minato-ku, Tokyo 105-0011, Japan (‘Cross Place’)
Perform Investment Germany GmbH	100%	Digital sports media	Münchener Str. 101, 85737 Ismaning, Germany
Perform Media Asia Pte Limited	100%	Digital sports media	137 Telok Ayer Street, #04- 01, Singapore, 068602
Perform Media Inc.	100%	Digital sports media	28 Liberty Street, Fl., 25th, New York, NY 10005 (NB - Exact floor due to change in Feb 2017)
Perform Media Spain SLU	100%	Digital sports media	Avenida General Perón, 38, 6° Puerta 3, 28020 Madrid, Spain
Perform Media Sweden AB	100%	Digital sports media	Grant Thornton Sweden AB, Box 7623, 103 94 Stockholm
Perform Media Services SRL	100%	Digital sports media	Via Manuzio 7, 20124, Milano
Perform Media Services Nigeria Limited	100%	Digital sports media	235 Ikorodu Road, Ilupeju, Lagos
Perform Media Poland SP .z.oo	100%	Digital sports media	Poland, Katowice, Francuska street No. 34
Perform Group South Africa Proprietary Limited	100%	Digital sports media	Central Office Park Unit 4, 257 Jean Avenue, Centurion, Gauteng, 0157
Perform Media France S.á.r.l	100%	Digital sports media	29 rue du Pont, 92200, Neuilly-sur-Seine, France
Activaweb SAS	100%	Digital sports media	29 rue du Pont, 92200, Neuilly-sur-Seine, France
Perform Media Norway AS	100%	Digital sports media	Ullevaal Stadion, Sognsveien 75F, 0855 Oslo, Norway
Voetbalzone B.V	100%	Digital sports media	Het Amstelgebouw 9th floor, Prins Bernhardplein 200, 1097 JB Amsterdam, The Netherlands
Opta Sports SA	100%	Sports data provider	Avenida General Perón, 38, 6° Puerta 3, 28020 Madrid, Spain
Opta Sports Data Srl	100%	Sports data provider	64, 36061 Bassano del Grappa (Vicenza) Italy
Opta Sports Data Inc.	100%	Sports data provider	28 Liberty Street, Fl., 25th, New York, NY 10005
Valles Profundos SA	100%	Sports data provider	1134, Esquina Maldonado, Montevideo, 1120, Uruguay
Mediasports Digital GmbH	100%	Online advertising and sponsorship sales	Beta-Straße 9a, 85774 Unterföhring (‘Beta-Straße’)
Sportal GmbH	100%	Digital sports media	Beta-Straße
Perform Media Deutschland GmbH	100%	Digital sports media	Beta-Straße
Kontertaktik GmbH	100%	Digital sports media	Beta-Straße

AI PERFORM HOLDINGS LLP

NOTES TO THE PARENT LIMITED LIABILITY PARTNERSHIP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

	Proportion of all classes of issued share capital owned by the Company	Principal activity	Registered Office
Subsidiaries:			
Perform Media Services Germany GmbH	100%	Digital sports media	Beta-Straße
RunningBall Group Holding AG	100%	Holding company	Baarerstrasse 63, 6300 Zug ('Baarerstrasse')
RunningBall Invest AG	100%	Holding company	Baarerstrasse
RunningBall Holding AG	100%	Holding company	Baarerstrasse
RunningBall AG	100%	Sports data provider	Baarerstrasse
RunningBall Sports Information GmbH	100%	Sports data provider	Plabutscherstrasse 63, 8051 Graz
RunningBall SDN BHD	100%	Sports data provider	2-3-11, 3'd Floor, Menara, KLH Business Centre, No. 2, Jalan Kasipillay, Off Jalan Ipoh, 51200 Kuala Lumpur.
RunningBall Services & Consulting Limited	100%	Sports data provider	Frema House 9, Constantinou Paparigopoulou, office/flat 202, 3106 Limassol, Cyprus
RunningBall Informacao Desportiva Unipessoal LDA	100%	Sports data provider	Rua Cristovao Pinho Queimado, N° 33, Piso 1, Loja C, Aveiro
Perform Media Australia Pty Limited	100%	Digital sports media	Level 16, 100 William Street, Darlinghurst, NSW, 2010, Australia
Perform Digital Media Canada Inc.	100%	Digital sports media	51 Wolseley Street, Toronto, Ontario, M5T 1A4, Canada
Perform Media NZ Pty Limited	100%	Digital sports media	19 Graham Street, Auckland, New Zealand
Sportal India Private Ltd	100%	Digital sports media	1 st Floor Siddhi Vinayak Chambers, R. P. MARG, OPP. M.I.G. Cricket Club, Bandra East, Mumbai, Maharashtra, India 400051
Global Sports Media BV	100%	Digital sports media	Prins Bernhardplei 200, 1097JB Amsterdam
Perform Media (India) Private Limited	100%	Digital sports media	City Trade Center, 3rd Floor, Opp. City Hospital, Kadri, Mangalore – 575003, Karnataka, India
Perform Media Japan KK	100%	Digital sports media	Cross Place
Perform Media Sales Japan KK	70%	Digital sports media	Cross Place
Perform Media Sales LLC	100%	Digital sports media	Tsvetnoy Boulevard 2, Moscow, Russian Federation, 127051
Goal.com (HoldCo) SA	100%	Digital sports media	25b Boulevard Royal, L-2449 Luxembourg
Mackolik Internet Hizmetleri Ticaret A.S.	100%	Digital sports media	Zühtüpaşa mahk. Şefik Bey Sokak No:1 Kadıköy, İstanbul
Goal.com North America Inc.	100%	Digital sports media	28 Liberty Street, Fl., 25th, New York, NY 10005

AI PERFORM HOLDINGS LLP

NOTES TO THE PARENT LIMITED LIABILITY PARTNERSHIP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

	Proportion of all classes of issued share capital owned by the Company	Principal activity	Registered Office
Subsidiaries:			
Perform Media Brazil Servicos Limitada	100%	Digital sports media	Rua Joaquim Floriano, no 243, cj.113 Itaim Bibi, Sao Paulo - SP, 04534010
Perform Media Argentina Srl	100%*	Digital sports media	Tucuman 1, 4th floor, Buenos Aires

The proportion of voting rights held is the same as the proportion of shares held.

	Proportion of all classes of issued share capital owned by the Company	Principal activity	Registered Office
Investments:			
Xeatre Limited	15%	Sports data provider	Faraday Wharf Innovation Birmingham Campus, Birmingham Science Park Aston, Holt St, Birmingham, West Midlands, B7 4BB

*This subsidiary is fully controlled by Perform Group Limited and therefore beneficial ownership is assumed and thus fully consolidated in these Group financial statements.

The following subsidiaries, all of which are incorporated in England and Wales and are all included above are exempt from the requirements of the UK Companies Act 2006 relating to the audit of individual accounts by virtue of section 479A of that Act:

Company name	Company registration number
Perform SCA Limited	9675485
Perform South America Limited	8276031
Opta Sports Data Limited	4199651
PSN Holdco Limited	9479148
Perform Investment Japan Holdco Limited	10110436
Perform Investment Germany Holdco Limited	10110432

3. Borrowings

	2016 £'000	2015 £'000
Non-current borrowings	124,991	103,576
	124,991	103,576

On 23 December 2014, the LLP entered into loan agreements of £100.2 million and £1.1 million with two Members of the LLP. The loans have a maturity of 23 December 2017 and an interest rate of 0.34%. As of 31 December 2016, accrued interest on the loans totalled £0.5 million (2015: £0.35 million).

In September 2015, the LLP entered into loan agreements totalling £1.9 million with an affiliate of the LLP. The loans mature in September 2018 and have an interest rate of 0.54%. As of 31 December 2016, accrued interest on the loans totalled £0.010 million (2015: £0.004 million).

AI PERFORM HOLDINGS LLP

**NOTES TO THE PARENT LIMITED LIABILITY PARTNERSHIP FINANCIAL STATEMENTS
(CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

4. Subsequent events

Subsequent events are disclosed in note 28 to the consolidated financial statements.

5. Ultimate controlling party

The ultimate controlling party is disclosed in note 27 to the consolidated financial statements.

6. Related parties

There are no additional related party transactions to disclose, with the exception of those in relation to borrowings which are presented in note 3.