

COMPANY REGISTRATION NUMBER: 06474216

Sport Capital Group PLC
Financial Statements
(Formerly Hellenic Capital PLC)
31 December 2018



EDWARDS VEEDER (UK) LIMITED
Chartered accountants & statutory auditor
4 Broadgate
Broadway Business Park
Chadderton
Oldham
OL9 9XA

Sport Capital Group PLC

Financial Statements

Year ended 31 December 2018

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Sport Capital Group PLC

Officers and Professional Advisers

The board of directors	Mr Grant-Rennick Mr Jackson (Resigned 5 December 2018) Mr Jones (Resigned 13 June 2018) Mr Treacy (Appointed 5 December 2018)
Corporate advisor	Keith Bayley, Rogers & Co. Limited 1 Royal Exchange Avenue London EC3V 3LT
Company secretary	Lorraine Young
Registered office	6th Floor 60 Gracechurch Street London United Kingdom EC3V 0HR
Registrars	Share Registrars Limited The Courtyard 17 West Street Farnham Surrey GU9 7DR
Auditor	Edwards Veeder (UK) Limited Chartered accountants & statutory auditor 4 Broadgate Broadway Business Park Chadderton Oldham OL9 9XA
Bankers	Barclays Bank PLC Hammersmith London United Kingdom W6 9HY
Website	www.scgplc.co.uk

Sport Capital Group PLC

Strategic Report

Year ended 31 December 2018

The directors present the strategic report on the company for the year ended 31 December 2018.

Review of business

The Company has been seeking potential acquisitions and investment opportunities since its flotation on the NEX Exchange Growth Market. During the year under review, the Company sought to invest in assets in the UK property market and/or the African resources sector. Two investments in the latter sector were made during the year. These are valued in the financial statements at cost. Shortly after the end of the financial year 2018, further investment was entered into on a speculative basis following a General Meeting needed to approve it, which was held on 2nd January 2019. This investment was subsequently disposed of, incurring no charge to the Company's capital account. The Company continues to evaluate potential investments and further announcements will be made if, as and when necessary.

The loss for the year before and after taxation was £7,973 (2017: £8,926).

Cash in the bank at the end of December 2018 was £9,776 (2017: £272).

On 5th December 2018, Mr. Mark Jackson resigned from the Board although remains associated with the Company in a consultative capacity. At the same time, Mr. John Treacy joined the Board.

The Company retains its investment property in Leeds, which was let during 2018 on the three-year lease to a commercial tenant.

In December 2018 the Company agreed to place 13,333,333 new shares; the placing shares were allotted immediately after the year end. The gross proceeds from the issuance of new shares were £60,000, which will be reflected in the financial statements for the first half of 2019.

Future developments

The Directors remain focused on looking for opportunities where businesses or companies that they consider have the potential to produce cash-flow for investors in the short- to medium-term.

Principal risks and uncertainties

Given the nature of the business and activity of the Company, the Directors believe that the Company is not exposed to significant risks other than liquidity risk. The Company's continued future operations depend on the ability to hold sufficient working capital to be able to meet its financial obligations. The Directors are confident that there is adequate funding to finance its immediate working capital requirements.

Sport Capital Group PLC

Strategic Report *(continued)*

Year ended 31 December 2018

This report was approved by the board of directors on 31 May 2019 and signed on behalf of the board by:



**Mr Grant-Rennick
Director**

**Registered office:
6th Floor
60 Gracechurch Street
London
United Kingdom
EC3V 0HR**

Sport Capital Group PLC

Directors' Report

Year ended 31 December 2018

The directors present their report and the financial statements of the company for the year ended 31 December 2018.

Principal activities

The principal activity of the company during the year was that of investment.

Directors

The directors who served the company during the year were as follows:

Mr Grant-Rennick	
Mr Treacy	(Appointed 5 December 2018)
Mr Jackson	(Resigned 5 December 2018)
Mr Jones	(Resigned 13 June 2018)

Dividends

The directors do not recommend the payment of a dividend.

Events after the end of the reporting period

Particulars of events after the reporting date are detailed in note 17 to the financial statements.

Disclosure of information in the strategic report

In accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 the information required by Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 has been included in the company's Strategic Report.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Sport Capital Group PLC

Directors' Report *(continued)*

Year ended 31 December 2018

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

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

A resolution to reappoint Edwards Veeder (UK) Limited as auditors will be proposed at the forthcoming Annual General Meeting.

This report was approved by the board of directors on 31 May 2019 and signed on behalf of the board by:



Mr Grant-Rennick
Director

Registered office:
6th Floor
60 Gracechurch Street
London
United Kingdom
EC3V 0HR

Sport Capital Group PLC

Independent Auditor's Report to the Members of Sport Capital Group PLC

Year ended 31 December 2018

Opinion

We have audited the financial statements of Sport Capital Group PLC (the 'company') for the year ended 31 December 2018 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Sport Capital Group PLC

Independent Auditor's Report to the Members of Sport Capital Group PLC *(continued)*

Year ended 31 December 2018

Other Information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

Matters on which we are required to report by exception

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

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

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

Sport Capital Group PLC

Independent Auditor's Report to the Members of Sport Capital Group PLC (continued)

Year ended 31 December 2018

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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



Lee Lederberg FCCA (Senior Statutory Auditor)

For and on behalf of
Edwards Veeder (UK) Limited
Chartered accountants & statutory auditor
4 Broadgate
Broadway Business Park
Chadderton
Oldham
OL9 9XA

31 May 2019

Sport Capital Group PLC
Statement of Comprehensive Income
Year ended 31 December 2018

	Note	2018 £	2017 £
Turnover	4	10,243	22,500
Cost of sales		<u>22,971</u>	<u>756</u>
Gross (loss)/profit		(12,728)	21,744
Administrative expenses		<u>36,201</u>	<u>22,241</u>
Operating loss	5	(48,929)	(497)
Interest payable and similar expenses	7	<u>5,548</u>	<u>8,429</u>
Loss before taxation		(54,477)	(8,926)
Tax on loss	8	<u>(46,504)</u>	<u>-</u>
Loss for the financial year and total comprehensive income		<u>(7,973)</u>	<u>(8,926)</u>
Earnings per share			
Basic loss per share (pence per share)	9	(0.008)	(0.014)
Diluted loss per share (pence per share)	9	<u>(0.007)</u>	<u>(0.013)</u>

All the activities of the company are from continuing operations.

The notes on pages 13 to 22 form part of these financial statements.

Sport Capital Group PLC
Statement of Financial Position
31 December 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	10	204,436	204,436
Investments	11	<u>57,410</u>	<u>-</u>
		261,846	204,436
Current assets			
Debtors	12	50,203	20,084
Cash at bank and in hand		<u>9,776</u>	<u>272</u>
		59,979	20,356
Creditors: amounts falling due within one year	13	<u>116,171</u>	<u>166,575</u>
Net current liabilities		56,192	146,219
Total assets less current liabilities		<u>205,654</u>	<u>58,217</u>
Net assets		<u>205,654</u>	<u>58,217</u>
Capital and reserves			
Called up share capital	15	97,990	62,190
Share premium account	16	293,726	174,116
Profit and loss account	16	<u>(186,062)</u>	<u>(178,089)</u>
Shareholders funds		<u>205,654</u>	<u>58,217</u>

These financial statements were approved by the board of directors and authorised for issue on 31 May 2019, and are signed on behalf of the board by:



Mr Grant-Rennick
 Director

Company registration number: 06474216

The notes on pages 13 to 22 form part of these financial statements.

Sport Capital Group PLC
Statement of Changes in Equity
Year ended 31 December 2018

	Called up share capital £	Share premium account £	Profit and loss account £	Total £
At 1 January 2017	61,890	173,544	(169,163)	66,271
Loss for the year	—	—	(8,926)	(8,926)
Total comprehensive Income for the year	—	—	(8,926)	(8,926)
Issue of shares	300	572	—	872
Total investments by and distributions to owners	300	572	—	872
At 31 December 2017	62,190	174,116	(178,089)	58,217
Loss for the year	—	—	(7,973)	(7,973)
Total comprehensive Income for the year	—	—	(7,973)	(7,973)
Issue of shares	35,800	119,610	—	155,410
Total investments by and distributions to owners	35,800	119,610	—	155,410
At 31 December 2018	<u>97,990</u>	<u>293,726</u>	<u>(186,062)</u>	<u>205,654</u>

The notes on pages 13 to 22 form part of these financial statements.

Sport Capital Group PLC

Statement of Cash Flows

Year ended 31 December 2018

	2018	2017
	£	£
Cash flows from operating activities		
Loss for the financial year	(7,973)	(8,926)
<i>Adjustments for:</i>		
Depreciation of tangible assets	–	927
Interest payable and similar expenses	5,548	8,429
Tax on loss	(46,504)	–
Accrued expenses	1,296	1,275
<i>Changes in:</i>		
Trade and other debtors	16,385	(17,055)
Trade and other creditors	(39,200)	143,437
Cash generated from operations	(70,448)	128,087
Interest paid	(5,548)	(8,429)
Net cash (used in)/from operating activities	<u>(75,996)</u>	<u>119,658</u>
Cash flows from investing activities		
Purchase of tangible assets	–	(205,363)
Purchases of other investments	(57,410)	–
Net cash used in investing activities	<u>(57,410)</u>	<u>(205,363)</u>
Cash flows from financing activities		
Proceeds from issue of ordinary shares	155,410	872
Proceeds from borrowings	(12,500)	190,500
Repayments of borrowings	–	(178,000)
Net cash from financing activities	<u>142,910</u>	<u>13,372</u>
Net increase/(decrease) in cash and cash equivalents	9,504	(72,333)
Cash and cash equivalents at beginning of year	272	72,605
Cash and cash equivalents at end of year	<u>9,776</u>	<u>272</u>

The notes on pages 13 to 22 form part of these financial statements.

Sport Capital Group PLC
Notes to the Financial Statements
Year ended 31 December 2018

1. General Information

The company is a public company limited by shares, registered in England and Wales. The address of the registered office is 6th Floor, 60 Gracechurch Street, London, United Kingdom, EC3V 0HR.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

(a) Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

(b) Going concern

The company meets its day to day working capital requirements through existing cash resources. The directors expect to be able to operate within the level of its current resources, given forecast rental and other income, capital receipts, expected expenditure and resources available. Consequently, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Sport Capital Group PLC

Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

3. Accounting policies *(continued)*

(c) Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 1, the directors 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 to be relevant. Actual results may differ from these estimates. 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 company's accounting policies

The directors do not consider there to be any critical accounting judgements that must be applied.

Key sources of estimation uncertainty

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial year are addressed below:

- Investment properties

A key source of estimation and uncertainty relates to the valuation of investment properties, where a valuation is obtained annually, as at 31 December, either by professionally qualified external valuers, or by the company's own internal qualified staff. The evidence to support these valuations is based primarily on recent, comparable market transactions on an arm's length basis. However, the assumptions applied are inherently subjective and so are subject to a degree of uncertainty.

(d) Revenue recognition

The turnover shown in the profit and loss account represents income derived from the investment property, exclusive of Value Added Tax.

Rents receivable are recognised on a straight line basis over the lease term, even if the rents are not received on such a basis.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

Sport Capital Group PLC

Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

3. Accounting policies *(continued)*

(e) Income tax

Corporation tax is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the statement of financial position date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date that are expected to apply to the reversal of the timing difference. Deferred tax relating to property, plant and equipment measured using the revaluation model and investment property measured at fair value is calculated using the tax rates and allowances that would apply to the disposal of such assets.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the group intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset only if: a) the company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(f) Investment properties

Investment properties for which fair value can be measured reliably without undue cost or effort on an ongoing basis are measured at fair value annually with any change recognised in the profit and loss account.

Investment property sales are recognised upon unconditional exchange.

(g) Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Sport Capital Group PLC

Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

3. Accounting policies *(continued)*

Investments *(continued)*

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

(h) Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Sport Capital Group PLC

Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

3. Accounting policies *(continued)*

(i) Financial Instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial Instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

4. Turnover

Turnover arises from:

	2018	2017
	£	£
Rental received	10,243	–
Surrender premium	–	22,500
	<u>10,243</u>	<u>22,500</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

Sport Capital Group PLC

Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

5. Operating profit

Operating profit or loss is stated after charging:

	2018	2017
	£	£
Depreciation of tangible assets	—	927
	<u> </u>	<u> </u>

6. Auditor's remuneration

	2018	2017
	£	£
Fees payable for the audit of the financial statements	3,500	2,362
	<u> </u>	<u> </u>

7. Interest payable and similar expenses

	2018	2017
	£	£
Interest payable	5,548	8,429
	<u> </u>	<u> </u>

8. Tax on loss

Major components of tax income

	2018	2017
	£	£
Deferred tax:		
Origination and reversal of timing differences	(46,504)	—
	<u> </u>	<u> </u>
Tax on loss	(46,504)	—
	<u> </u>	<u> </u>

Reconciliation of tax income

The tax assessed on the loss on ordinary activities for the year is lower than (2017: higher than) the standard rate of corporation tax in the UK of 19% (2017: 19%).

	2018	2017
	£	£
Loss on ordinary activities before taxation	(54,477)	(8,926)
	<u> </u>	<u> </u>
Loss on ordinary activities by rate of tax	(11,131)	(1,695)
Effect of expenses not deductible for tax purposes	780	176
Unused tax losses	10,351	1,519
Deferred tax	(46,504)	—
	<u> </u>	<u> </u>
Tax on loss	(46,504)	—
	<u> </u>	<u> </u>

Sport Capital Group PLC

Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

9. Earnings per share

Basic loss per share

	2018	2017
Basic loss per share from continuing operations (pence per share)	<u>(0.008)</u>	<u>(0.014)</u>

The loss and weighted average number of shares used in the calculation of basic loss per share are as follows:

	2018	2017
	<u>£</u>	<u>£</u>
Loss used in the calculation of basic loss per share from continuing operations	<u>(7,973)</u>	<u>(8,926)</u>

	2018	2017
	<u>No.</u>	<u>No.</u>
Weighted average number of ordinary shares in issue	<u>97,499,089</u>	<u>61,922,377</u>

Diluted loss per share

	2018	2017
Diluted loss per share from continuing operations (pence per share)	<u>(0.007)</u>	<u>(0.013)</u>

The loss and weighted average number of shares used in the calculation of the diluted loss per share are as follows:

	2018	2017
	<u>£</u>	<u>£</u>
Loss used in the calculation of diluted loss per share from continuing operations	<u>(7,973)</u>	<u>(8,926)</u>

	2018	2017
	<u>No.</u>	<u>No.</u>
Weighted average number of ordinary shares in issue used in the calculation of basic loss per share	<u>97,499,089</u>	<u>61,922,377</u>
Weighted average number of options and warrants in issue	<u>9,300,000</u>	<u>9,032,877</u>
Weighted average number of ordinary shares in issue used in the calculation of diluted loss per share	<u>106,799,089</u>	<u>70,955,254</u>

Sport Capital Group PLC

Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

10. Tangible assets

	Investment property £
Cost	
At 1 January 2018 and 31 December 2018	205,363
Depreciation	
At 1 January 2018 and 31 December 2018	927
Carrying amount	
At 31 December 2018	204,436
At 31 December 2017	204,436

The directors confirm that the valuation of the property in the accounts is not materially different from the fair value of the properties as at 31 December 2018.

11. Investments

	Other investments other than loans £
Cost	
At 1 January 2018	-
Additions	57,410
At 31 December 2018	57,410
Impairment	
At 1 January 2018 and 31 December 2018	-
Carrying amount	
At 31 December 2018	57,410
At 31 December 2017	-

12. Debtors

	2018 £	2017 £
Deferred tax asset	46,504	-
Prepayments and accrued income	2,300	18,412
Other debtors	1,399	1,672
	<u>50,203</u>	<u>20,084</u>

Sport Capital Group PLC

Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

13. Creditors: amounts falling due within one year

	2018	2017
	£	£
Trade creditors	-	5,139
Accruals and deferred income	16,171	14,875
Directors loan accounts	-	12,500
Other creditors	100,000	134,061
	<u>116,171</u>	<u>166,575</u>

14. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2018	2017
	£	£
Included in debtors (note 12)	<u>46,504</u>	<u>-</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2018	2017
	£	£
Unused tax losses	<u>(46,504)</u>	<u>-</u>

15. Called up share capital

Issued, called up and fully paid

	2018		2017	
	No.	£	No.	£
Ordinary shares of £0.001 each	<u>97,989,500</u>	<u>97,989.50</u>	<u>62,189,500</u>	<u>62,189.50</u>

During the year 35,800,000 (2017: 300,000 ordinary shares) ordinary shares with aggregate nominal value of £35,800 (2017: £300) were issued for £179,000 (2017: £1,500) less £23,590 (2017: £628) transaction costs incurred in issuing the shares.

16. Reserves

Share premium account - This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Profit and loss account - This reserve records retained earnings and accumulated losses.

Sport Capital Group PLC

Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

17. Events after the end of the reporting period

On 2 January 2019, the company allotted 13,333,333 new ordinary shares of 0.1 pence each ("Shares") at a price of 0.45 pence per Share and has issued a like number of warrants under the terms of a placing announced to NEX Exchange-quoted investment company Eight Capital Partners plc in which Mr Treacy is also a director. Additionally, 6,444,445 Shares have been allotted in settlement or part-settlement of financial advisory fees due to certain parties. Following the allotment of the aggregate amount of 19,777,778 Shares, the Company's issued Share capital shall be 117,767,278 shares.

On the same day the Company also issued in lieu of fees and expenses to Simon Grant-Rennick, a Director of Sport Capital Group Plc, 15,000,000 warrants to subscribe for a like number of Shares at a price of 0.45 pence per Share for three years from the date of issue.

On 17 January 2019 Sport Capital Group Plc acquired Sport Capital Group Holdings Limited, the parent company of Sports Capital Group Investments Ltd. Sports Capital Group Investments Ltd, sole owner of Italian football club, U.S. Città di Palermo, in Palermo, Sicily, and of Mepal Sri ("Mepal"), the club's intellectual property and stadium project. This investment was subsequently disposed of on 19 February 2019, incurring no charge to the company capital account.

On 01 April 2019 in part settlement of advisory fees incurred in the disposal above, the company issued 800,000 new ordinary shares of 0.1 pence each at 0.625 pence per share. Following the share issue the outstanding share capital of the company shall be 118,567,278.

18. Related party transactions

On 5 January 2018, under a placing, 35,800,000 shares of 0.1p each were issued for cash at 0.5p, raising gross proceeds of £179,000. Included in this placing were the directors/parties concerned with them, as follows:

GF Jones - 800,000 shares

M Jackson (via HSBC Global Custody nominees (UK) Limited) - 6,000,000 shares

Alpha Corporate Services Limited (a trust advised by S Grant-Rennick) - 27,000,000 shares

Following the placing there were 97,989,500 shares in issue.

As at 31 December 2018 the Directors were owed the following amounts by the company:

S Grant-Rennick: £nil (2017: £10,000).

M Jackson - £nil (2017: £2,500).

The loans are interest free and repayable on demand.

19. Controlling party

The Directors believe there to be no ultimate controlling party.