

COMPANY REGISTRATION NUMBER: 06474216

Sport Capital Group PLC
Financial Statements
31 December 2019



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 2019

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Sport Capital Group PLC

Officers and Professional Advisers

The board of directors	Mr Grant-Rennick Mr Jackson (Appointed 28 June 2019) Mr Treacy (Resigned 28 June 2019)
Corporate advisor	Keith Bayley, Rogers & Co. Limited 1 Royal Exchange Avenue London EC3V 3LT
Company secretary	Ben Harper
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	scgplc.co.uk

Sport Capital Group PLC

Strategic Report

Year ended 31 December 2019

The directors present the strategic report on the company for the year ended 31 December 2019.

Review of business

The Company has been seeking potential acquisitions and investment opportunities since its flotation on the NEX Exchange Growth Market.

The loss for the year before and after taxation was £63,171 (2018: £7,973).

Cash in the bank at the end of December 2019 was £11,845 (2018: £9,776).

On 28th June 2019, Mr. John Treacy resigned from the Board. At the same time, Mr. Mark Jackson re-joined the Board.

The Company retains its investment property in Leeds, which has remained let throughout 2019 on a three-year lease to a commercial tenant which is due to expire in August 2021.


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.

This report was approved by the board of directors on 5 June 2020 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 2019

The directors present their report and the financial statements of the company for the year ended 31 December 2019.

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 Jackson	(Appointed 28 June 2019)
Mr Treacy	(Resigned 28 June 2019)

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 18 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.
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Sport Capital Group PLC

Directors' Report *(continued)*

Year ended 31 December 2019

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 5 June 2020 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 2019

Opinion

We have audited the financial statements of Sport Capital Group PLC (the 'company') for the year ended 31 December 2019 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 2019 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 2019

Key audit matters

Key audit matters are those that, in our professional judgement, were of most significance in our audit of the Financial Statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter one Investment

The Investment Portfolio at 31 December 2019 comprised of Unlisted investments and investment property

We focussed on the existence and valuation of investment because investments represent the principal element of the net asset value as disclosed in the Statement of Financial Position in the Financial Statements

Audit response

We agreed existence of the investment portfolio holdings to the Custodian information.

For all unlisted investments in exploration companies we carry them at cost until such time as we can substantiate the carrying value reference to external expert reports and other professional opinion.

The investment property is valued with reference to other similar properties and rental yield.

Key audit matter two Going concern

The company raised finance during the period to fund its Investment Strategy and will require further funding in the future to meet its commitments. The cash and cash equivalent balance as at 31 December 2019 amounted to £11,845.

The risk for our audit was whether this contributed to a material uncertainty that may cast doubt on the Company's ability to continue as a going concern

Audit response

Critical assessment of the Directors' going concern assessment, challenging forecast and assumption.

Assessment of the cash flow forecast for committed and contracted expenditure versus discretionary expenditure compared to the level of cash resources.

Assessment of the adequacy of disclosures in the financial statements.

An overview of the scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatements in the Financial Statements. As in all our audits, we addressed the risk of management override of controls, including among other matters consideration of whether there was any evidence of bias that represented a risk of material misstatement due to fraud.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit and in evaluating the

Sport Capital Group PLC

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

Year ended 31 December 2019

effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions could influence the economic decisions of reasonable users that are taken on the basis of the financial statements. Importantly, misstatements below these levels will not necessarily be evaluated as material, as we also take into account the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined the materiality for the financial statements as a whole to be £4,065 (2018: £4,036) which is based on an average of 2% of turnover and gross assets and 10% of profit before tax. We considered this as an appropriate benchmark.

We set performance materiality as 80% of the overall Financial Statement materiality.

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.

Sport Capital Group PLC

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

Year ended 31 December 2019

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.

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.

Sport Capital Group PLC

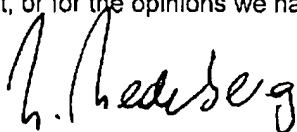
Independent Auditor's Report to the Members of Sport Capital Group PLC (continued)

Year ended 31 December 2019

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

5 June 2020

Sport Capital Group PLC
Statement of Comprehensive Income
Year ended 31 December 2019

	Note	2019 £	2018 £
Turnover	4	20,180	10,243
Cost of sales		<u>348</u>	<u>22,971</u>
Gross profit/(loss)		19,832	(12,728)
Administrative expenses		<u>62,120</u>	<u>36,201</u>
Operating loss		(42,288)	(48,929)
Interest payable and similar expenses	6	<u>10,000</u>	<u>5,548</u>
Loss before taxation		(52,288)	(54,477)
Tax on loss	7	<u>10,883</u>	<u>(46,504)</u>
Loss for the financial year and total comprehensive income		<u>(63,171)</u>	<u>(7,973)</u>
Earnings per share:			
Basic loss per share (pence per share)	8	(0.053)	(0.008)
Diluted loss per share (pence per share)	8	<u>(0.050)</u>	<u>(0.007)</u>

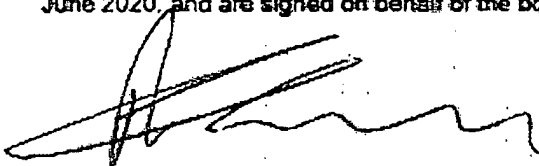
All the activities of the company are from continuing operations.

The notes on pages 14 to 23 form part of these financial statements.

Sport Capital Group PLC
Statement of Financial Position
31 December 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	9	204,436	204,436
Investments	10	65,250	57,410
		<u>269,686</u>	<u>261,846</u>
Current assets			
Debtors	11	40,214	50,203
Cash at bank and in hand		11,845	9,778
		<u>52,059</u>	<u>59,979</u>
Creditors: amounts falling due within one year	12	115,262	116,171
Net current liabilities		<u>63,203</u>	<u>56,192</u>
Total assets less current liabilities		<u>206,483</u>	<u>205,654</u>
Net assets		<u>206,483</u>	<u>205,654</u>
Capital and reserves			
Called up share capital	14	119,234	97,990
Share premium account	15	338,482	293,728
Profit and loss account	15	(249,233)	(186,062)
Shareholders funds		<u>206,483</u>	<u>205,654</u>

These financial statements were approved by the board of directors and authorised for issue on 5 June 2020, and are signed on behalf of the board by:



Mr Grant-Rennick
 Director

Company registration number: 06474216

The notes on pages 14 to 23 form part of these financial statements.

Sport Capital Group PLC
Statement of Changes in Equity
Year ended 31 December 2019

	Called up share capital £	Share premium account £	Profit and loss account £	Total £
At 1 January 2018	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	97,990	293,726	(186,062)	205,654
Loss for the year	—	—	(63,171)	(63,171)
Total comprehensive income for the year	—	—	(63,171)	(63,171)
Issue of shares	21,244	42,756	—	64,000
Total investments by and distributions to owners	21,244	42,756	—	64,000
At 31 December 2019	<u>119,234</u>	<u>336,482</u>	<u>(249,233)</u>	<u>206,483</u>

The notes on pages 14 to 23 form part of these financial statements.

Sport Capital Group PLC

Statement of Cash Flows

Year ended 31 December 2019

	2019 £	2018 £
Cash flows from operating activities		
Loss for the financial year	(63,171)	(7,973)
<i>Adjustments for:</i>		
Interest payable and similar expenses	10,000	5,548
Tax on loss	10,883	(46,504)
Accrued (income)/expenses	(9,372)	1,296
<i>Changes in:</i>		
Trade and other debtors	(894)	16,385
Trade and other creditors	8,463	(39,200)
Cash generated from operations	(44,091)	(70,448)
Interest paid	(10,000)	(5,548)
Net cash used in operating activities	(54,091)	(75,996)
Cash flows from investing activities		
Purchases of other investments	(7,840)	(57,410)
Net cash used in investing activities	(7,840)	(57,410)
Cash flows from financing activities		
Proceeds from issue of ordinary shares	64,000	155,410
Proceeds from borrowings	–	(12,500)
Net cash from financing activities	64,000	142,910
Net increase in cash and cash equivalents	2,069	9,504
Cash and cash equivalents at beginning of year	9,776	272
Cash and cash equivalents at end of year	11,845	9,776

The notes on pages 14 to 23 form part of these financial statements.

Sport Capital Group PLC
Notes to the Financial Statements
Year ended 31 December 2019

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 2019

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.

Sport Capital Group PLC

Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

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) Operating leases

Lease income is recognised in profit or loss on a straight line basis over the lease term. The aggregate cost of lease incentives are recognised as a reduction to income over the lease term on a straight-line basis. Costs, including depreciation, incurred in earning the lease income are recognised as an expense. Any initial direct costs incurred in negotiating and arranging the operating lease are added to the carrying amount of the lease and recognised as an expense over the lease term on the same basis as the lease income.

Sport Capital Group PLC

Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

3. Accounting policies *(continued)*

(g) 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.

(h) Investments

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

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

(i) 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 2019

3. Accounting policies *(continued)*

(j) 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:

	2019	2018
	£	£
Rental received	20,180	10,243

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 2019

5. Auditor's remuneration		
	2019	2018
	£	£
Fees payable for the audit of the financial statements	<u>5,500</u>	<u>3,500</u>
6. Interest payable and similar expenses		
	2019	2018
	£	£
Interest payable	<u>10,000</u>	<u>5,548</u>
7. Tax on loss		
Major components of tax expense/(income)		
	2019	2018
	£	£
Deferred tax:		
Origination and reversal of timing differences	<u>10,883</u>	<u>(46,504)</u>
Tax on loss	<u>10,883</u>	<u>(46,504)</u>
Reconciliation of tax expense/(income)		
The tax assessed on the loss on ordinary activities for the year is higher than (2018: lower than) the standard rate of corporation tax in the UK of 19% (2018: 19%).		
	2019	2018
	£	£
Loss on ordinary activities before taxation	<u>(52,288)</u>	<u>(54,477)</u>
Loss on ordinary activities by rate of tax	(9,935)	(10,351)
Effect of expenses not deductible for tax purposes	—	780
Unused tax losses	9,935	9,571
Deferred tax	<u>10,883</u>	<u>(46,504)</u>
Tax on loss	<u>10,883</u>	<u>(46,504)</u>
8. Earnings per share		
Basic loss per share		
	2019	2018
Basic loss per share from continuing operations (pence per share)	<u>(0.053)</u>	<u>(0.008)</u>

Sport Capital Group PLC

Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

8. Earnings per share *(continued)*

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

	<u>2019</u>	<u>2018</u>
	£	£
Loss used in the calculation of basic loss per share from continuing operations	(63,171)	(7,973)

	<u>2019</u>	<u>2018</u>
	No.	No.
Weighted average number of ordinary shares in issue	118,292,088	97,499,089

Diluted loss per share

	<u>2019</u>	<u>2018</u>
	(pence per share)	(pence per share)
Diluted loss per share from continuing operations	(0.050)	(0.007)

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

	<u>2019</u>	<u>2018</u>
	£	£
Loss used in the calculation of diluted loss per share from continuing operations	(63,171)	(7,973)

	<u>2019</u>	<u>2018</u>
	No.	No.
Weighted average number of ordinary shares in issue used in the calculation of basic loss per share	118,292,088	97,499,089
Diluted EPS adjustment to weighted average shares	9,000,000	9,000,000
Weighted average number of ordinary shares in issue used in the calculation of diluted loss per share	<u>127,292,088</u>	<u>106,499,089</u>

9. Tangible assets

	Investment property
	£
Cost	
At 1 January 2019 and 31 December 2019	<u>205,363</u>
Depreciation	
At 1 January 2019 and 31 December 2019	<u>927</u>
Carrying amount	
At 31 December 2019	<u>204,436</u>
At 31 December 2018	<u>204,436</u>

Sport Capital Group PLC

Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

9. Tangible assets *(continued)*

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 2019.

10. Investments

	Other investments other than loans £
Cost	
At 1 January 2019	57,410
Additions	7,840
At 31 December 2019	<u>65,250</u>
Impairment	
At 1 January 2019 and 31 December 2019	<u>—</u>
Carrying amount	
At 31 December 2019	<u>65,250</u>
At 31 December 2018	<u>57,410</u>

11. Debtors

	2019 £	2018 £
Deferred tax asset	35,621	46,504
Prepayments and accrued income	3,917	2,300
Other debtors	676	1,399
	<u>40,214</u>	<u>50,203</u>

12. Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	8,463	—
Accruals and deferred income	6,799	16,171
Other creditors	100,000	100,000
	<u>115,262</u>	<u>116,171</u>

The other creditors are secured by a charge dated 7 June 2019, over the investment property of the company.

Sport Capital Group PLC
Notes to the Detailed Income Statement
Year ended 31 December 2019

		2019	2018
13. Deferred tax		£	£
	The deferred tax included in the statement of financial position is as follows:		
		2019	2018
		£	£
	Included in debtors (note 11)	<u>35,621</u>	<u>46,504</u>
	The deferred tax account consists of the tax effect of timing differences in respect of:		
		2019	2018
		£	£
	Unused tax losses	<u>(35,621)</u>	<u>(46,504)</u>

14. Called up share capital

Issued, called up and fully paid

	2019		2018	
	No.	£	No.	£
Ordinary shares of £0.001 each	<u>119,233,945</u>	<u>119,234</u>	<u>97,989,500</u>	<u>97,990</u>

During the year 21,244,445 (2018: 35,800,000) ordinary shares with aggregate nominal value of £21,244 (2018: £35,800) were issued for £97,000 (2018: £179,000) less £33,000 (2018: £23,590) transaction costs incurred in issuing the shares.

Warrants

On 02 January 2019 the year the company allotted 28,333,333 warrants at an exercise price of 0.45p per share. These are exercisable for a three year period from issue. As at 31 December 2019, all 28,333,333 (2018 nil) warrants remain outstanding.

15. 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.

16. Analysis of changes in net debt

	At	Cash flows	At
	1 Jan 2019		31 Dec 2019
	£	£	£
Cash at bank and in hand	<u>9,776</u>	<u>2,069</u>	<u>11,845</u>

Sport Capital Group PLC
Notes to the Detailed Income Statement
Year ended 31 December 2019

	2019 £	2018 £
As lessor		
The total future minimum lease payments receivable under non-cancellable operating leases are as follows:		
	2019 £	2018 £
Not later than 1 year	20,180	20,180
Later than 1 year and not later than 5 years	8,255	28,435
	<u>28,435</u>	<u>48,615</u>

18. Events after the end of the reporting period

There are no events after the reporting period which require disclosure under FRS 102.

19. Related party transactions

On 2 January 2019 the company allotted 13,333,333 new ordinary shares of 0.1 pence each at a price of 0.45 pence per share and issued a like number of warrants under the terms of placing announced to NEX Exchange quoted investment company Eight Capital Partners plc. At the time of the placing Mr Treacy was a director of both Sport Capital Group plc and Eight Capital Partners plc.

On the same day the company also issued in lieu of fees and expenses to Mr Grant-Rennick, a director of Sport Capital Group plc, 15,000,000 warrants to subscribe for a like number of shares at 0.45p per share for three years from the date of issue.

20. Controlling party

The Directors believe there to be no ultimate controlling party.