

27 June 2016

Ultimate Sports Group Plc ('USG' or 'the Company')
Final results for the year ended 31 December 2015

Ultimate Sports Group Plc, the AIM listed investment vehicle, is pleased to announce its results for the year ended 31 December 2015.

Chairman's Statement and Chief Executive's Review

For the year ended 31 December 2015 we are reporting a pre-tax loss of £356,421 (2014: profit £16,590).

USG's net cash balances as at 31 December 2015 were £357,915 (2014: £709,332). The Directors are not recommending the payment of a dividend.

Name Change and Share Consolidation

In October 2015, shareholders approved the change of name to Ultimate Sports Group Plc.

This change of name reflects the Group's operations more accurately as the Company is now focussed to a great extent on its involvement in Sports related activities.

At the same time, USG also secured shareholder approval to undertake a Share Consolidation in order to reduce the large number of Ordinary Shares previously in issue.

As a consequence, 1 new ordinary share was issued in exchange for 100 old Ordinary shares and new share certificates were issued to shareholders.

Share Placing

In December 2015, USG issued 1 million new Ordinary shares at 20p per share to raise £200,000 before expenses.

Ultimate Player.me

As shareholders are aware, we have been developing an innovative online platform for children. This is a "free to view" method of measuring, motivating and incentivising young children to enhance their own personal sporting performance. Ultimate Player now covers 13 different sports.

We are pleased to report that the programme became fully operational in the first few months of 2016 and is now being put through its paces with a core group of coaches, children and parents.

We are enthusiastic about the future development of the Ultimate Player brand as we launch UltimatePlayer.me and tap into our ESS platform which as outlined below is already established and continues to grow.

Pantheon Leisure Plc (“Pantheon”)

USG holds 85.87% of the issued share capital of Pantheon which in turn owns 100% of the operating business of Pantheon’s sport and leisure division.

Pantheon’s sports and leisure division comprises two trading companies, Sport in Schools Limited (‘ESS’), also known as The Elms Sport in Schools, and Football Partners Limited (‘FPL’) - also known as The Elms Small Sided Football.

Pantheon as a group made a profit of £67,241 for the 12 months ended 31 December 2015 (2014: Profit £400,462).

Sport in Schools Limited (‘ESS’ - Elms Sport in Schools)

On a turnover of £1,243,011 (2014: £1,240,527), ESS has contributed a divisional profit of £144,679 as compared with £115,649 last year.

ESS specialises in the delivery of primary school sport - covering the National Curriculum during the day and The Extended Day before and after school hours (breakfast, lunchtime and after-school clubs).

The majority of the breakfast and lunchtime clubs are provided and paid for by the school, whilst the majority of after-school clubs are paid for by parents.

Holiday camps are a successful area for ESS where we provide sports tuition during the school holidays. The majority of the camps are paid for by parents, whilst a few are paid for by the school.

The ESS directors have developed bespoke skill sets which have been adopted with great enthusiasm by our full time staff and part time coaches. They coach 21,000 children each week and on average coach between 12 to 25 hours a week. All our coaches are highly qualified (minimum level 2), DBS checked, Child protection vetted and are rigorously trained by ESS in all the main disciplines required by the National Curriculum. The management of ESS constantly monitors and assesses the level of performance of our coaches throughout the school year.

Football Partners Limited (‘FPL’)

Our 5-a-side football operation enjoys full FA accreditation and its activities (conducted through FPL) continue to be influenced by a difficult market as reported by our peer group competitors.

Turnover (net of corporate fees) increased by 6.3% to £446,510 and this resulted in an operating loss of £77,437.

Outlook

We continue to be encouraged by the success of the sports tuition activities of ESS and consider that its potential represents a significant opportunity for growth.

Ultimate Player.me is now fully operational. It is an innovative, secure and exciting way for children to improve their personal sporting skill sets. The objective of the programme is to encourage children to improve their fitness levels and sporting skills – an objective which is totally consistent with Government Policy and initiatives.

We are confident that with sufficient additional equity investment both SIS and UltimatePlayer.me working together and taken together will achieve growth and future value for our shareholders.

Notice of Annual General Meeting

The Annual General Meeting of the Company in respect of the year ended 31 December 2015 will be held at the Hellenic Centre, 16/18 Paddington Street, London W1U 5AS on 31 August 2016 at 11:00 am.

Richard Owen
Chairman

Geoffrey Simmonds
Chief Executive Officer

27 June 2016

Consolidated statement of comprehensive income for the year ended 31 December 2015

	Notes	2015 £	2014 £ As restated
Revenue	6	1,674,521	1,645,643
Cost of sales		<u>(976,037)</u>	<u>(1,009,236)</u>

Gross profit		<u>698,484</u>	<u>636,407</u>
Website site and related costs written off		(62,510)	(39,601)
Administrative expenses		(1,035,747)	(1,006,308)
Amortisation of intangible assets		(9,306)	-
		<u>(1,107,563)</u>	<u>(1,045,909)</u>
Operating loss	6	(409,079)	(409,502)
Finance income	8	1,150	15,247
Finance costs	9	(3,972)	(1,343)
Other gains and losses	10	55,480	412,188
Profit/(loss) before taxation		<u>(356,421)</u>	<u>16,590</u>
Taxation		<u>(23,334)</u>	<u>235</u>
Profit/(loss) after taxation		<u>(379,755)</u>	<u>16,825</u>
Attributable to:			
Equity holders of the parent company		(377,424)	(22,957)
Non-controlling interests		<u>(2,331)</u>	<u>39,782</u>
		<u>(379,755)</u>	<u>16,825</u>
Other comprehensive loss:			
Revaluation losses on available-for-sale investments taken to equity		(14,553)	14,208
Taxation on items taken directly to equity		23,334	(235)
Other comprehensive profit/(loss)		<u>8,781</u>	<u>13,973</u>
Comprehensive loss attributable to:			
Equity holders of the parent company		(368,643)	(8,984)
Minority interest		(2,331)	39,782
Total comprehensive loss		<u>(370,974)</u>	<u>30,798</u>
Loss per share (basic and diluted)			
(Loss)/Earnings from operations per share	11	(0.02655)p	0.00001p

Other comprehensive earnings/(loss) per share	0.00045p	0.00004p
Total comprehensive loss per share	<u>(0.02610)p</u>	<u>0.00005p</u>

All losses arise from continuing operations of the group.

**Consolidated statement of financial position
as at 31 December 2015**

	Notes	2015	2014
		£	As Restated £
Non current assets			
Goodwill and other intangibles		487,021	226,077
Property, plant and equipment		80,975	116,593
Total non-current assets		<u>567,996</u>	<u>342,670</u>
Current assets			
Available-for-sale investments	12	29,273	177,477
Trade and other receivables	14	182,254	142,180
Cash and cash equivalents		357,915	709,332
Total current assets		<u>569,442</u>	<u>1,028,989</u>
Total assets		1,137,438	1,371,659
Current liabilities			
Trade and other payables	15	385,114	338,783
Borrowings	16	18,877	18,877
Total current liabilities		<u>403,991</u>	<u>357,660</u>
Non-current liabilities			
Borrowings	16	47,939	66,816
Total non-current liabilities		<u>47,939</u>	<u>66,816</u>
Total liabilities		<u>451,930</u>	<u>424,476</u>
Net assets		<u>685,508</u>	<u>947,183</u>
Equity			

Share capital	17	1,526,164	1,426,164
Share premium account		401,039	304,289
Merger reserve		325,584	325,584
Fair value reserve		1,150	92,268
Retained earnings		<u>(1,569,380)</u>	<u>(1,204,404)</u>
Equity attributable to shareholders' of the parent company		684,557	943,901
Non- controlling interests		<u>951</u>	<u>3,282</u>
Total Equity		<u>685,508</u>	<u>947,183</u>

Consolidated statements of changes in equity

	Share capital	Share premium	Merger reserve	Fair value reserve	Retained earnings	To equity holders of the parent company	Non- controlling interest	Total
	£	£	£	£	£	£	£	£
Balance at 1 January 2014 as previously reported	1,211,489	150,000	325,584	100,240	(1,215,840)	571,473	(36,500)	534,973
Prior period adjustment				(21,945)	21,945	-	-	-
Balance at 1 January 2014 restated	1,211,489	150,000	325,584	78,295	(1,193,895)	571,473	(36,500)	534,973
Issue of new shares	214,675	154,289	-	-	-	368,964	-	368,964
Revaluation profits taken to equity	-	-	-	(34,392)	-	(34,392)	-	(34,392)
Deferred tax on items taken directly to equity	-	-	-	10,340	-	10,340	-	10,340
Share based payment	-	-	-	-	12,448	12,448	-	12,448
Loss for the year	-	-	-	-	(33,532)	(33,532)	39,782	6,250
Prior period adjustment	-	-	-	48,600	-	48,600	-	48,600
Taxation effect of prior period adjustment				(10,575)	10,575	-	-	-
Revised reserves at 1 January 2015	1,426,164	304,289	325,584	92,268	(1,204,404)	943,901	3,282	947,183
Issue of new shares	100,000	96,750	-	-	-	196,750	-	196,750
Released on sale of available for sale investments	-	-	-	(99,900)	-	(99,900)	-	(99,900)
Revaluation profits taken to equity	-	-	-	(14,552)	-	(14,552)	-	(14,552)
Deferred tax on items taken directly to equity	-	-	-	23,334	-	23,334	-	23,334
Share based payment	-	-	-	-	12,448	12,448	-	12,448
Loss for the year					(377,424)	(377,424)	(2,331)	(379,755)
At 31 December 2015	1,526,164	401,039	325,584	1,150	(1,569,380)	684,557	951	685,508

**Consolidated statement of cash flows
for the year ended 31 December 2015**

Notes	2015 £	2014 £
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Cash flow from operating activities

(Loss)/profit before taxation	(356,421)	16,590
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Adjustments for:

Finance income	(1,150)	(15,247)
Finance expense	3,972	1,343
Amortisation of intangible assets	9,306	-
Shares issued other than for cash	-	19,025
Other gains and losses	(55,480)	(412,188)
Depreciation	46,181	25,472
Profit on disposal of property, plant and equipment	-	(29,750)
Share based payments	12,448	12,448

Operating cash flow before working capital movements

(Increase)/decrease in receivables	(40,074)	(50)
Increase/(decrease) in payables	46,333	25,340

Net cash absorbed by operations

(334,885)	(357,017)
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Cash flow from investing activities

Finance income	1,150	15,247
Property, plant and equipment acquired	(10,563)	(14,852)
Proceeds from sale of fixed assets	-	29,750
Social media website development costs	(270,250)	(166,023)
Proceeds on disposal of available for sale investments	89,230	449,712

Net cash from investing activities

(190,433)	313,834
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Cash flow from financing activities

Finance expense	(3,972)	(1,343)
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Funds from share issue	196,750	349,939
Repayment of borrowings	(18,877)	(8,469)
Net cash from financing activities	173,901	340,127
Net (decrease)/increase in cash and cash equivalents in the year	(351,417)	296,944
Cash and cash equivalents at the beginning of the year	709,332	412,388
Cash and cash equivalents at the end of the year	357,915	709,332

Notes to the group and parent company financial statements

1. General information

Ultimate Sports Group Plc is a company incorporated in the United Kingdom and its activities are as described in the chairman's statement and directors' report.

These financial statements are prepared in pounds sterling because that is the currency of the primary economic environment in which the group operates.

2. Basis of Accounting

The consolidated financial statements of the group for the year ended 31 December 2015 have been prepared under the historical cost convention except for the revaluation of available-for-sale investments to fair value and are in accordance with International Financial Reporting standards ("IFRS") as adopted by the EU. These policies have been applied consistently except where otherwise stated.

The following new and amended IFRSs have been adopted during the year.

- Annual Improvements to IFRS 2011-2013 Cycle
- IFRIC interpretation 21 *Levies*

There were no material changes in the financial statements as a result of adopting new or revised accounting standards during the year.

3. Critical accounting judgements and key sources of estimation uncertainty

Deferred tax asset

At the present time the directors' do not consider that there is sufficient certainty regarding the utilisation of tax losses available in the group. As a result, no deferred tax asset has been recognised.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating units to which the goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash generating unit and a suitable discount rate in order to calculate present value. The carrying amount of goodwill is the deemed cost on first time application of IFRS.

Impairment of investment in subsidiary undertakings

The company holds listed investments through various subsidiary undertakings. The values of these investments have been assessed based on their current quoted market value. These values have been used to estimate the recoverable value of the subsidiary undertakings. Where the estimated recoverable value of the company's investments in these subsidiary undertakings is less than the carrying value, the investment has been written down to the estimated recoverable value.

4. Going concern

The group has generated losses in excess of £379,000. It is anticipated that the further development of the website will improve results in the year ended 31 December 2016 and beyond. The directors have prepared financial forecasts covering the 12 months following approval of these financial statements which indicate that on the assumptions that trading conditions will improve as a result of the new website, and sufficient new investment will be provided to enable the group to cover forecast expenditure, to include website development costs, the group will remain within its existing facilities. On these grounds, the directors consider it appropriate to prepare the financial statements on a going concern basis.

5. Business segment analysis

Segmental information with regard to activities is disclosed below.

All turnover, profits, losses, assets and liabilities relate to operations undertaken in the UK.

Year ended 31 December 2015

Sports and leisure £	Social media website	Consolidated £
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Revenue	<u>1,674,521</u>	<u>-</u>	<u>1,674,521</u>
Segment operating profit/(loss)	<u>67,241</u>	<u>(93,105)</u>	(25,864)
Group operating expenses*			<u>(383,215)</u>
Operating loss			(409,079)
Other gains and losses			55,480
Finance revenues less finance costs			(2,822)
			<hr/>
Loss before taxation			(356,421)
Taxation			<u>(23,334)</u>
Loss after taxation from continuing activities			<u>(379,755)</u>

Year ended 31 December 2014

	Sports and leisure £	Social media website	Consolidated £
Revenue	<u>1,645,643</u>	<u>-</u>	<u>1,645,643</u>
Segment operating profit/(loss)	<u>(11,626)</u>	<u>(39,601)</u>	(51,227)
Impairment of intangible assets			-
Group operating expenses*			(409,502)
Other gains and losses			412,188
Finance revenues less finance costs			13,904
			<hr/>
Profit before taxation			16,590
Taxation			<u>235</u>
Profit after taxation from continuing activities			<u>16,825</u>

* 'Group operating expenses' represent the costs of running the group as a whole. The directors consider that the costs of running Pantheon Leisure Plc of £53,675 (2014: £67,874) form part of these costs as opposed to forming part of the segmental costs of the sports and leisure division.

Financial position at 31 December 2015

	Sports and leisure £	Social media website £	Consolidated £
Segment assets	<u>150,215</u>	<u>453,407</u>	603,622
Non segmental assets			<u>533,816</u>
Consolidated total assets			<u>1,137,438</u>
Segment liabilities	<u>335,311</u>	<u>24,095</u>	359,406
Non segmental corporate liabilities			<u>92,524</u>
			<u>451,930</u>
Capital additions	10,563	270,247	
Depreciation/amortisation charges	<u>18,293</u>	<u>9,306</u>	

Financial position at 31 December 2014

	£	£	Consolidated £
Segment assets	<u>153,032</u>	<u>181,241</u>	463,150
Non segmental assets			<u>859,909</u>
Consolidated total assets			<u>1,323,059</u>
Segment liabilities	<u>329,910</u>	<u>10,479</u>	342,389
Non segmental corporate liabilities			<u>82,087</u>
			<u>424,476</u>

Capital additions	4,852	166,023
Depreciation charge	<u>18,500</u>	<u>-</u>

Unallocated assets include group cash balances of £357,915 (2014: £709,332), plant and equipment of £48,803 (2014: £76,691), goodwill of £59,954 (2014: £59,954), other assets and receivables attributable to the parent company of £67,144 (2014: £13,932). Unallocated liabilities include trade and other payables of £36,208 (2014: £11,892), hire purchase liabilities attributable to the parent company of £56,316 (2014: £70,193).

6. Operating loss

	2015	2014
The operating loss is stated after charging /(crediting):	£	£
Auditors' remuneration – audit services	20,200	20,200
Operating lease rentals – land and buildings	12,001	10,524
Depreciation of property, plant and equipment	46,181	25,472
Amortisation – Website development	9,306	-
Profit on disposal of tangible assets	-	(29,750)

Included in the audit fee for the group is an amount of £3,000 (2014: £3,000) in respect of the Company.

The auditors received fees of £1,250 (2014: £1,250) in respect of the provision of services in connection with advice relating to the group's interim results and general advice.

7. (a) Staff Costs

Employee benefit costs were as follows:

	2015	Group
	£	2014
		£
Wages and salaries	1,172,122	1,172,696
Social security costs	80,516	73,785

Pension contributions	7,910	-
Share based payment	12,448	12,448
	<u>1,272,996</u>	<u>1,258,929</u>

The average numbers of employees, including directors during the year, was as follows:-

	No.	No.
Administration, sales and coaching staff	85	91
	<u> </u>	<u> </u>

(b) Directors' remuneration

	2015	2014
	£	£
An analysis of directors' remuneration (who are the key management personnel) is set out below:		
Salary and consultancy fees	<u>173,585</u>	<u>173,194</u>
Executive directors:		
Salaries and benefits	87,585	87,194
Consultancy fees	<u>61,000</u>	<u>61,000</u>
	<u>148,585</u>	<u>148,194</u>
Non-executive directors:		
Salaries and benefits	17,500	17,500
Consultancy fees	<u>7,500</u>	<u>7,500</u>
	<u>25,000</u>	<u>25,000</u>

	2015	2014
	£	£
Directors consultancy fees comprise:		
G Simmonds and Simmonds & Co	45,000	45,000
D Hillel	16,000	16,000
D J Coldbeck	<u>7,500</u>	<u>7,500</u>
	<u>68,500</u>	<u>68,500</u>

The total cost of key management personnel being the executive directors and including employers' national insurance was £151,889 (2014: £153,305).

Consultancy fees in respect of G Simmonds were paid to Simmonds & Co.

8. Finance income

	2015	2014
	£	£
Interest revenue – bank deposits	250	247
Dividends received	900	15,000
	<u>1,150</u>	<u>15,247</u>

9. Finance costs

	2015	2014
	£	£
Interest on obligations under hire purchase agreements	3,972	1,343
	<u>3,972</u>	<u>1,343</u>

10. Other gains and losses

	2015	2014
	£	£
Profit on disposal of available for sale investments	55,480	412,188
	<u>55,480</u>	<u>412,188</u>

11. Loss per share

Basic loss per share has been calculated on the group's loss attributable to equity holders of the parent company of £377,424 (2014: £22,957) and on the weighted average number of shares in issue during the year, which was 14,302,364, (2014: 14,113,090 as restated).

Comprehensive loss per share is based on the same number of shares and on the comprehensive loss for the year attributable to the equity holders in the parent company of £419,942 (2014: £57,584).

In view of the group loss for the year, share warrants and options to subscribe for ordinary shares in the company are anti-dilutive and therefore diluted earnings per share information is not presented. There are options outstanding at 31 December 2015 on 577,500 ordinary shares.

12. Available-for-sale investments

The group holds the following investments which are stated at fair value:

	2015	Group	2015	Company
	£	2014	£	2014
		£		£
Investments admitted to trading on AIM:				
Current assets				
Aeorema Communications Plc	9,675	148,500	-	-
Messaging International Plc	19,598	28,977	1,688	1,902
Total	<u>29,273</u>	<u>177,477</u>	<u>1,688</u>	<u>1,902</u>

The group has not designated any investments as financial assets at fair value through profit or loss.

Details of investment held at 31 December were:-

Aeorema Communications Plc:

30,000 ordinary shares in Aeorema Communications Plc ('Aeorema') representing 0.37% of Aeorema's issued share capital. In May 2015 270,000 shares were sold for £89,910 before costs.

At 22 June 2016, the market bid price was 30p per share valuing the group's holding of 30,000 Aeorema shares at £9,000.

Messaging International Plc

4,482,288 Ordinary shares in Messaging International Plc ('Messaging') representing 3.9% of Messaging's issued share capital.

At 22 June 2016, the market bid price was 0.35p per share valuing its holding of Messaging shares at £15,688.

13. Receivables and loan notes

Non-current assets

Company

In 2014, amounts due within one year included £220,000 of loan notes (2014 - £220,000). The loan notes are convertible into 50 million new shares in Pantheon Leisure Plc (the borrower) at any time before redemption. The loan notes carry an interest coupon of 7.5% and are repayable on demand at par.

Pantheon Leisure Plc is a subsidiary undertaking of Ultimate Sports Group Plc.

The loan notes are included in investments.

Group

The group has no receivables and loan notes classified as non-current assets.

Current assets

	Group		Company	
	2015 £	2014 £	2015 £	2014 £
Trade receivables	71,973	49,605	-	-
Other receivables	59,202	42,461	25,973	4,050
Amounts due from subsidiary undertakings	-	-	647,992	444,093
Prepayments and deferred expenditure	51,079	50,114	11,603	9,588
	<u>182,254</u>	<u>142,180</u>	<u>685,568</u>	<u>457,731</u>
	=====	=====	=====	=====

The average credit period given for trade receivables at the end of the year is 16 days (2014:11 days). Trade receivables are stated net of a provision for irrecoverable amounts of £Nil (2014: £Nil).

Amounts due from subsidiary undertakings are stated net of provisions for irrecoverable amounts which total £548,332 (2014: £373,931).

The total charge in the year in respect of irrecoverable receivables in the group accounts was £Nil (2014: £Nil).

As at 31 December, the ageing analysis of trade receivables is as follows:

Total	Due but not impaired		
	£	£	£

		<3 months	3 – 6 months	>6 months
2015	71,973	71,973	-	-
2014	49,605	49,605	-	-

14. Trade and other payables

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Trade payables	60,145	59,628	-	-
Other payables	91,480	79,293	-	-
Taxes and social security	107,746	92,144	-	-
Amounts due to subsidiary undertakings	-	-	209,573	162,818
Accruals and deferred income	125,743	107,718	31,508	9,792
	<u>385,114</u>	<u>338,783</u>	<u>241,081</u>	<u>172,610</u>

The average credit period taken for trade payables at the end of the year is 29 days (2014: 22 days).

15. Bank overdraft

Sport in Schools Limited and Football Partners Limited have bank overdraft facilities of £50,000 and £20,000 respectively which are secured by guarantees of up to £50,000 and £20,000 for each company given by Ultimate Sports Group Plc. Both overdrafts are repayable on demand.

16. Borrowings

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Due within one year				
Interest free loans	5,000	5,000	-	-
Hire purchase finance	13,877	13,877	13,877	13,877
Total due within one year	<u>18,877</u>	<u>18,877</u>	<u>13,877</u>	<u>13,877</u>

Due after more than one year

Interest free loans	5,500	10,500	-	-
Hire purchase finance	42,439	56,316	42,439	56,316
Total due after more than one year	<u>47,939</u>	<u>66,816</u>	<u>42,439</u>	<u>56,316</u>
Total borrowings	<u>66,816</u>	<u>85,693</u>	<u>56,316</u>	<u>70,193</u>

17. Issued share capital

Shares of 10p each	Number of shares	£
At 1 January 2015	14,261,638	1,426,164
Shares issued in the year	1,000,000	100,000
At 31 December 2015	<u>15,261,638</u>	<u>1,526,164</u>

In October 2015, following a share consolidation all shareholders received one 10p share for every one 0.1p share in issue.

In December 2015 the company issued raised £200,000 before costs from a placing at a price of 20p per share resulting in the issue of a further 1,000,000 shares of 10p each.

At 31 December 2015 the company's issued shares carry no rights to fixed income.

Share options and warrants

On 17 January 2011 the company adopted an unapproved share option scheme.

To date the company has granted 577,500 to key executives and employees engaged in the development of the social network.

The market price of the company's shares at 31 December 2015 was 23.5p and the price range during the financial year was 23.5p and 28.5p.

18. Financial commitments

The group is committed to making the following future minimum lease payments under non-cancellable operating leases which fall due as follows:

	2015	2014
	£	£
Within one year		
Land and buildings	12,001	10,000
Other	-	820
Between two and five years		
Land and buildings	45,499	40,000
Other	-	-
After five years		
Land and buildings	52,500	60,000
	<hr/>	<hr/>
	110,000	110,820

19. Statement of changes in equity

Retained earnings represent the cumulative retained profit or loss of the group.

Share premium is the amount subscribed for share capital in excess of nominal value and is a capital reserve required by UK company law.

The merger reserve is a non-statutory reserve and represents the difference between the fair value and nominal value of the shares exchanged for shares on acquisition of Reverse Take-Over Investments Plc which took place in 2003.

The fair value reserve represents the cumulative surplus and deficits on recognition of available-for-sale investments at fair value, less tax attributable to the net surplus.

No dividend was paid during the year (2014: Nil).

20. Post balance sheet events

There were no post balance sheet events to be stated by way of note.

21. Related parties

Details of the remuneration of directors are given in note 8. In addition to the information given in that note, the following provides further details of related party transactions involving the company and its directors.

The directors are considered to be the key management personnel of the group.

Simmonds & Co

The group made payments of £31,200 [excluding VAT] (2014 £31,200) as contributions towards office and secretarial costs to Simmonds & Co, Chartered Accountants, a practice in which G Simmonds is sole proprietor.

22. Notes to statements of cash flows

a) Analysis of net funds

	At 1 January		Non-cash	At 31
	2015	Cash Flow	movements	December
	£	£	£	2015
				£
Group				
Cash and cash equivalents	709,332	(351,417)	-	357,915
Borrowings	(85,693)	18,877	-	(66,816)
Net funds	<u>623,639</u>	<u>(332,540)</u>	-	<u>291,099</u>
Company				
Cash and cash equivalents	513,278	(303,982)	-	209,296
Borrowings	(70,193)	13,877	-	(56,316)
Net funds	<u>443,085</u>	<u>(290,105)</u>	-	<u>152,980</u>

(b) Reconciliation of net cash flow to movement in net funds

Group	Company
£	£

(Decrease)/increase in cash and cash equivalents in the year	(351,417)	(303,982)
Cash inflow from new borrowings	-	-
Cash outflow on borrowings repaid in the year	18,877	13,877
	<hr/>	<hr/>
Movement in net funds/(debt)	<u>(332,540)</u>	<u>(290,105)</u>

General

A copy of the report and accounts are being posted to shareholders today and will be available on the Company's website www.ultimatesportsgroup.me later today.

For further information please visit www.ultimatesportsgroup.me or contact:

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