Company Registration Number: 3740688

CSS STELLAR PLC

REPORT AND FINANCIAL STATEMENTS

31 December 2010

CSS STELLAR PLC

REPORT AND FINANCIAL STATEMENTS 2010

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2010 HIGHLIGHTS

- Operating loss prior to impairment of goodwill of £0.2 million (2009: loss of £0.6 million)
- All significant trading activites ceased
- Company now an investing business
- Continued reduction in corporate overheads
- Group continues to be debt free

CHAIRMAN'S STATEMENT

Overview

In 2010, the Company disposed of its 50% share in the business and assets of its golf management business Hambric Stellar Golf Limited and ceased to undertake its motorsports client business. As a result, it effectively ceased to own, control or conduct any trading business. As such, the Company was deemed under Rule 15 of the AIM Rules to be an investing company. It was necessary to adopt an investing policy, shareholder approval of which was obtained in March 2011.

The Company retains an interest in the motorsports client business, a business which is now undertaken by a company ("GPSH") wholly-owned by myself with a former consultant to the Company. Further details of the arrangements between the Company and GPSH as announced in December 2010 are set out in the Operating and Financial Review below.

Investing Policy

The Company's investing policy, approved at the General Meeting in March 2011, is to focus on making an acquisition or acquisitions of unquoted businesses or companies which would constitute a reverse takeover under Rule 14 of the AIM Rules, creating a platform for further acquisitions. The Directors retain the flexibility to make investments which do not constitute a reverse takeover under Rule 14 of the AIM Rules where shareholder value can be enhanced; in such cases, however, any investments will be significant minority stakes in companies which are actively managed and which serve as a platform for a future reverse takeover.

The strategy of the Directors is to pursue acquisition(s) in the leisure, corporate services, consultancy and brand licensing sectors which will allow the Board to leverage its knowledge, experience and contacts. Suitable acquisitions outside these sectors will also be considered.

In conjunction with following the investing policy, the Directors will proactively consider raising additional funds, either in the form of equity or debt, to help implement the proposed investing policy.

The Directors will focus primarily on acquisition opportunities within the European Union and the United States. It is anticipated that returns to shareholders will be delivered primarily through an appreciation in the Company's share price.

The Board is aware that the Company's cash resources, currently standing at approximately £80,000, are limited and this may restrict the extent to which the investing policy can be implemented. However, the Board continues to evaluate opportunities to make acquisitions within the scope of the investing policy.

Financial results

Revenue from continuing operations for the Group of £0.3 million was 295% higher than the prior year (2009: £0.08 million) due the receipt of a legal case settlement. Group operating loss prior to the impairment of goodwill of £0.4 million was £0.2 million, which was reduced from 2009. There was a net loss from discontinued operations of £0.8million (2009: £0.9million) recognised during the year.

Corporate overheads

The level of ongoing corporate overheads has been reduced and the Group continues to identify opportunities to further reduce these costs. It is forecast that corporate overheads in 2011 will be further reduced.

Board changes

There were no board changes during the year.

Future strategy

CSS Presenters Limited remains the Group's only trading business and as such is now deemed to be an investing business. The Group has budgeted for a much lower cost base in 2011 whilst it seeks other business opportunities.

I should like to thank all of our employees for their efforts and support during the past year.

Julian Jakobi
Chairman
30 June 2011

OPERATING AND FINANCIAL REVIEW

Group Review of 2010

Revenue from continuing operations for the Group in the year ended 31 December 2010 was £0.3 million, a 295% increase from 2009 (£0.08 million). These are adhoc revenues resulting from one off events.

Group operating loss prior to the impairment of goodwill of £0.4 million was £0.2 million, which was broadly in line with 2009. There was a net loss from discontinued operations of £0.8million (2009: £0.9million) recognised during the year.

Review of Continuing Operations

The Group's trading operations now consists only of CSS Presenters. This company made an operating loss prior to impairment of goodwill of £0.14 million (2009: loss of £0.05 million) on revenue of £0.02 million (2009 £0.02 million). There was an impairment of goodwill of £0.4million relating to this business.

Discontinued Operations

During the year, the Board took the decision to cease all of its trading activities in the Motorsports and Golf core areas. These businesses were based on contracts that were due to end during the year ended 31 December 2010 and there was no certainty that these contracts would be renewed.

Disposal of European Golf Business

On 30 September 2010, the Group disposed of its European Golf Business via a trade and assets disposal.

Cessation of motorsports

On 17 December 2010 the group announced that it had entered into arrangement with GP Sports Holdings Limited ("GPSH"), a company wholly owned by Julian Jakobi the company's chairman, whereby the group ceased to undertake its motor sport client business (the "Arrangements"). As part of the Arrangements, the company agreed to terminate Julian Jakobi's consultancy and executive arrangements and to waive the non compete clause and the 12 month notice period.

Under the Arrangements, GPSH are providing receivables collection services for contracted fees through to 2012. The group will also have a 20% carried economic interest in GPSH which will entitle it to a cash payment based on what the group would have received it has a 20% share holding in GPSH. Further details of these arrangements are included in the announcement dated 17 December 2010.

The motorsports client business was built entirely around the client representation agreements, all of which were due to expire on 31 December 2010 with the exception of an agreement with one client which is due to expire on 31 December 2011. The costs associated with servicing these agreements, the fact that there was no certainty of any renewal, together with the unrelated public company costs, lead the board to conclude that the continuation of the motor sports client business was no longer viable nor in shareholders' interests.

Julian Jakobi, by virtue of being a director and substantial shareholder of the Company, was deemed a related party for the purposes of the Arrangements. The directors, other than Mr Jakobi who took no part in the board's consideration of the Arrangements, considered, having consulted with Northland Capital Partners Limited, the Company's Nominated Adviser, that the Arrangements were fair and reasonable in so far as the shareholders of the Company were concerned.

Adoption of Investing Policy

Under the Arrangements, the group effectively ceased to own, control or conduct any of its existing trading business and as a result was deemed an investing company for the purposes of the AIM Rules for Companies. Pursuant to Rule 15 of the AIM Rules, a circular to adopt an Investing Policy was passed without amendment at a general meeting of the Company on 15 March 2011.

OPERATING AND FINANCIAL REVIEW (continued)

Goodwill

In accordance with IAS 36, the Board reviewed the carrying value of goodwill held in the Balance Sheet for impairment. As a result of the review, the Board concluded that a write down of £0.4 million is required relating to CSS Presenters.

Taxation
The Group's tax charge was £Nil (2009: credit of £24,000).

Loss per Share

Loss per share on continuing operations on a basic and fully diluted basis shows a loss of 2.24p per share (2009: loss of 1.88p). Basic unadjusted and fully diluted earnings per share on discontinued operations were a profit of 2.83p.(2009: loss of 2.95p). The losses are due to the impact of the disposals and the impairment write down booked in the year.

Cash Flow

The cash flow statement shows a decrease in cash of £0.18 million (2009: decrease of £0.3 million) as a consequence of the closure of its trading activities.

Julian Jakobi
Chairman
30 June 2011

BOARD OF DIRECTORS

Directors

The directors who served during the year are as follows:

J A R Jakobi
J D Webber
S H Rhodes

Secretary

T Shinnick

Registered Office	First Floor Mermaid House 2 Puddle Dock London EC4V 3DS
Company Registration Number	3740688
Country of Incorporation	United Kingdom

INFORMATION ON THE BOARD OF DIRECTORS

J A R Jakobi, Chairman

Julian left IMG after 14 years in 1992, having held the position of Senior International Vice President in charge of the European Motorsport division. He subsequently founded the business which became Stellar. Julian has managed the careers of many top sportspeople, and famously guided multiple world champions and rivals Ayrton Senna and Alain Prost at the same time. Julian was appointed Chairman in July 2008 and was formerly CEO and Deputy Chairman.

J D Webber, Executive Director

John was re-appointed to the Board in July 2008. He has extensive experience in both the sports and entertainment sector, including 24 years at IMG, which he left in 1996 having held the position of International Group Vice President.

S H Rhodes, Non Executive

Simon was appointed to the Board as a non executive director in October 2008. Simon is EMEA Marketing and Business Development Director for CB Richard Eliis and has had a range of commercial and marketing experience operating at board level in a variety of sectors.

PROFESSIONAL ADVISERS

Nominated Adviser and Broker	Northland Capital Partners Limited 60 Gresham Street London EC2V 7BB
Auditors	Grant Thornton UK LLP Grant Thornton House Melton Street Euston Square London NW1 2EP
Bankers	Barclays Bank plc 27 Soho Square London W1A 4WA
Solicitors	Berwin Leighton Paisner LLP Adelaide House London Bridge London EC4R 9HA
Registrars	Capita Registrars The Registry 34 Beckenham Road Beckenham Kent BR3 4TU

DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements for the year ended 31 December 2010.

Principal Activities

CSS Stellar Plc is the holding company for a group of companies that have no significant trading activity and is now an investing business.

Group Results

The Group results are set out on page 12 and are stated in UK sterling. The Group made an operating loss on continuing operations of £0.6 million (2009: loss of £0.6million). The Directors do not recommend payment of a dividend (2009: £nil). The loss on operations after taxation amounted to £1.5 million (2009: loss of £1.4 million).

Review of the Business

A review of the business for the year is set out in the Chairman's Statement and the Operating and Financial Review.

Going Concern

The directors have prepared cashflow forecasts and budgets that show that, for a period of at least twelve months from the date of these financial statements, the group has sufficient resources to continue in business. Accordingly, the directors believe that it is appropriate to prepare the financial statements on a going concern basis.

Directors

Details of Directors are set out on pages 5 and 6. Details of Directors' interests in share options and warrants are set out in note 21 to the Financial Statements.

Substantial Shareholding

As at 10 May 2011, the Company had been notified of the following substantial holdings in the ordinary share capital:

	5p Ordinary Shares	
	No.	%
Julian Jakobi	5,336,246	18.4
John Webber	3,018,168	10.4

Corporate Governance

Audit and Remuneration Committees have been established and in each case comprised Simon Rhodes.

The role of the Remuneration Committee is to review the performance of the executive Directors and to set the scale and structure of their remuneration, including bonus arrangements. The Remuneration Committee also administers and establishes performance targets for the Group's employee share schemes and executive incentive schemes for key management. In exercising this role, the terms of reference of the Remuneration Committee require it to comply with the Code of Best Practice published in the Combined Code.

The Audit Committee is responsible for making recommendations to the Board on the appointment of the auditors and the audit fee, and receives and reviews reports from management and the Company's auditors on the internal control systems in use throughout the Group and its accounting policies.

Suppliers' Payment Policy

Our strategy is to have mutually beneficial long term relationships with our suppliers. The Group's policy is to agree the terms of payment with suppliers in advance and abide by those terms. The Company has no trade payables and at the year end, the Group's trade payables amounted to 61 days (2009: 61 days) of average supply during the year.

Charitable Contributions

During the year the Group made charitable donations amounting to £nil (2009: £2,000).

Directors' Indemnities

In accordance with the Companies (Audit Investigations and Community Enterprise) Act 2004, which came into force on 6 April 2005, the Company has indemnified the Directors against liability to third parties, and undertaken to pay Directors' legal costs as incurred, provided that they are reimbursed to the Company if the individual is convicted.

Key Performance Indicators

The Board monitor the progress of the Group against its strategic objectives on a regular basis. The performance of the Group is measured against strategy, budgets and forecasts using a variety of financial and non-financial indicators. The most significant Key Performance Indicators ("KPIs") used by the Group, and the basis of calculation are set out below:

Non Financial KPIs

Within continuing operations, the Group had an average of 2 employees during the year, compared with 19 employees in 2009.

Financial KPIs

The Board uses the following KPI's to monitor and assess the performance of the Group and its individual businesses. The board measures ratios focused on cash, liquidity and balance sheet solvency. The group's principle risks relate to cash flow, liquidity and going concern.

Measure	**2010 £000's**	**2009 £000's**	**Method of calculation**
Net change in cash and cash equivalents	(183)	(369)	Consolidated cash flow
Current ratio	60%	374%	Current assets expressed as a proportion of current liabilities

Financial Risk Management Objectives and Policies

The Group uses financial instruments, comprising cash, trade receivables and trade payables, which arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Group's operations.
The Group uses a mixture of shares, deferred loans, cash and deferred consideration for acquisitions to minimise risk and maximise returns.

The main risks arising from the Group's financial instruments are credit risk and liquidity risk. The Board reviews and agrees policies for managing each of these risks. These risks are discussed in more detail in note 19.

Auditors

Grant Thornton UK LLP offer themselves for reappointment as auditors in accordance with Section 489 of the Companies Act 2006.

Annual General Meeting

Notice of the forthcoming Annual General Meeting will be enclosed separately.

By order of the Board

J A R Jakobi
30 June 2011

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual 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 Group financial statements under IFRS as adopted by the EU and applicable law and have elected to prepare the parent company financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to give a true and fair view of the state of affairs of the Group and company and of the profit or loss of the Group for that period.

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

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departure disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the group will continue in business.

The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Group and to enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as each of the Directors are aware:
- there is no relevant audit information of which the Group's auditors are unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

REPORT OF THE INDEPENDENT AUDITOR'S TO THE MEMBERS OF CSS STELLAR PLC

We have audited the financial statements of CSS Stellar plc for the year ended 31 December 2010 which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position and parent company balance sheet, the consolidated statement of changes in equity, consolidated statement of cash flows, and the related notes. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR'S

As explained more fully in the Directors' Responsibilities Statement set out on page 11, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

OPINION ON FINANCIAL STATEMENTS

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2010 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRS as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

Nicholas Page
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

London, 30 June 2011

CSS STELLAR PLC
CONSOLIDATED INCOME STATEMENT
Year ended 31 December 2010

	Notes	2010 £000	2009 £000
Revenue	2	324	82
Cost of sales		-	-
Gross profit		324	82
Impairment of goodwill	12	(402)	-
Other administrative costs		(572)	(632)
Total administrative costs		(974)	(632)
Operating loss	2, 3	(650)	(550)
Finance income	6	-	1
Finance costs	7	-	(22)
Loss before tax		(650)	(571)
Income tax credit	8		24
Net loss from continuing operations	2	(650)	(547)
Net loss from discontinued operations	2, 14	(819)	(854)
Net loss for the year	2	(1,469)	(1,401)
Attributable to:			
Equity holders of the parent		(1,469)	(1,401)
Loss per share (pence)	9	**pence**	**pence**
Continuing operations			
Basic and diluted loss per share		(2.24)	(1.88)
Discontinued operations			
Basic and diluted loss per share		(2.83)	(2.95)
Total			
Basic and diluted loss per share		(5.07)	(4.83)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	£000	£000
Loss for the year	(1,469)	(1,401)
Exchange differences on translation of foreign operations	(1)	(9)
Total comprehensive income for the year	(1,470)	(1,410)
Attributable to:		
Equity holders of the parent	(1,470)	(1,410)

The notes on pages 17 - 39 form part of these Financial Statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2010

	Notes	2010 £000	2010 £000	2009 £000	2009 £000
ASSETS					
Non-current assets					
Property, plant and equipment	13	4		12	
Goodwill	12	-		402	
Available for sale assets	11	152		-	
Other receivables	15	-		-	
			156		414
Current assets					
Trade and other receivables	15	375		1,242	
Cash and cash equivalents	17	6		188	
			381		1,430
Disposal group classified as held for resale			239		-
Total assets			776		1,844
EQUITY					
Equity attributable to equity holders of the parent					
Share capital	21	14,488		14,488	
Share premium account		28,158		28,158	
Translation reserve		31		(120)	
Profit and loss account		(42,533)		(41,064)	
Total equity			144		1,462
LIABILITIES					
Current liabilities					
Trade and other payables	18	418		357	
Current tax payable	18	-		25	
		418		382	
Liabilities directly associated with disposal group classified as held for resale		214			
Total liabilities			632		382
Total equity and liabilities			776		1,844

These Financial Statements were approved by the Board of Directors and authorised for issue on 30 June 2011

JAR Jakobi
Director

The notes on pages 17 - 39 form part of these Financial Statements.

Company Registration Number: 3740688

COMPANY BALANCE SHEET

As at 31 December 2010

	Note	2010 £000	2010 £000	2009 £000	2009 £000
FIXED ASSETS					
Investments in subsidiaries	28		-		400
					400
CURRENT ASSETS					
Debtors	29	30		297	
Cash at bank and in hand		-		22	
		30		319	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	30	(167)		(229)	
Net current (liabilities)/assets			(137)		90
Total assets less current liabilities			(137)		490
CAPITAL AND RESERVES					
Called up share capital	31		14,488		14,488
Share premium account	32		28,158		28,158
Profit and loss account	32		(42,783)		(42,156)
Shareholders' (deficit)/funds			(137)		490

These Financial Statements were approved by the Board of Directors and authorised for issue on 30 June 2011

JAR Jakobi
Director

The notes on pages 17 - 39 form part of these Financial Statements.

Company Registration Number: 3740688

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

As at 31 December 2010

	Share capital £000	Share premium £000	Other reserve £000	Retained earnings £000	Total attributable to owners of parent £000
Balance at 1 January 2010	14,488	28,158	(120)	(41,064)	1,462
Loss for the year	-	-	-	(1,469)	(1,469)
Other comprehensive income:					
Movement in fair value of available for sale assets			152		152
Exchange difference on translation of foreign operations	-	-	(1)	-	(1)
Total comprehensive income for the year	-	-	151	(1,469)	(1,318)
Balance at 31 December 2010	14,488	28,158	31	(42,533)	144

	Share capital £000	Share premium £000	Translation reserve £000	Retained earnings £000	Total attributable to owners of parent £000
Balance at 1 January 2009	14,488	28,158	(111)	(39,663)	2,872
Loss for the year	-	-	-	(1,401)	(1,401)
Other comprehensive income:					
Exchange difference on translation of foreign operations	-	-	(9)	-	(9)
Deferred tax on revaluation of freehold property	-	-	-	-	-
Total comprehensive income for the year	-	-	(9)	(1,401)	(1,410)
Balance at 31 December 2009	14,488	28,158	(120)	(41,064)	1,462

CSS STELLAR PLC
CONSOLIDATED STATEMENT OF CASH FLOWS
Year ended 31 December 2010

	2010 £000	2010 £000	2009 £000	2009 £000
Cash flows from operating activities				
Loss after taxation		(1,469)		(1,401)
Adjustments for:				
Depreciation	6		8	
Impairment of goodwill	400		500	
Net interest expense	-		21	
Taxation credit recognised in profit and loss	-		(24)	
Change in trade and other receivables	678		1,196	
Change in inventories	-		-	
Change in trade and other payables	234		(925)	
Income taxes paid	-		(88)	
		1,318		688
Net cash used in operating activities		(151)		(713)
Cash flows from investing activities				
Purchase of property, plant and equipment	-		(4)	
Proceeds from sale of investments	-		12	
Proceeds from sale of subsidiaries	-		340	
Reclassifiaction of cash held in disposal group	(32)		-	
Proceeds from sale of property, plant and equipment	-		17	
Interest received	-		1	
Net cash generated by investing activities		(32)		366
Cash flows from financing activities				
Interest paid	-		(22)	
Net cash used in financing activities		-		(22)
Net change in cash and cash equivalents		(183)		(369)
Exchange loss on cash and cash equivalents		1		33
Cash and cash equivalents at beginning of period		188		524
Cash and cash equivalents at end of period		6		188

1. Accounting Policies

Basis of preparation

CSS Stellar plc is a company incorporated in the United Kingdom.

The Group financial statements are for the year ended 31 December 2010 and have been prepared under the historical cost convention, except for revaluation of certain properties.

These consolidated financial statements (the financial statements) have been prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the EU ("adopted IFRS").

The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these consolidated financial statements. The consolidated financial statements are presented in accordance with IAS 1: Presentation of financial statements (Revised 2007).

Accounting standards not yet applied

IFRS 9	Financial Instruments (effective 1 January 2013)
IAS 24 (Revised 2009)	Related Party Disclosures (effective 1 January 2011)
Amendment to IAS 32	Classification of Rights Issues (effective 1 February 2010)
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments (effective 1 July 2010)
Amendments to IFRIC 14	Prepayments of a Minimum Funding Requirement – (effective 1 January 2011)
Improvements to IFRS	issued May 2010 (some changes effective 1 July 2010, others effective 1 January 2011)
Amendments to IFRS 7	Disclosures – Transfers of Financial Assets – (effective 1 July 2011)
Amendments to IAS 12	Deferred Tax: Recovery of Underlying Assets – (effective 1 January 2012)

The Directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the consolidated financial statements of the Group. There have been no new standards adopted during the year that impacted the group.

Sources of estimation and key judgements

The preparation of the financial statements requires the Group to make estimates, judgements and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosure of contingent assets and liabilities. The Directors base their estimates on historic experience and various other assumptions that they believe are reasonable under the circumstances, the results of which form the basis of making judgements about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

The Directors believe that the most significant areas where estimates and judgements are used are in relation to the carrying value of available sale financial assets. These judgements are explained in more detail in the accounting policies and note 11.

1. Accounting Policies (continued)

Basis of consolidation

The Group financial statements consolidate those of the company and all of its subsidiary undertakings drawn up to 31 December 2010. Subsidiaries are entities over which the Group has the power to control the financial and operating policies so as to obtain benefits from its activities. The Group obtains and exercises control through voting rights.

Unrealised gains on transactions between the Group and its subsidiaries are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Acquisitions of subsidiaries are dealt with by the purchase method. The purchase method involves the recognition at fair value of all identifiable assets and liabilities, including contingent liabilities of the subsidiary, at the acquisition date, regardless of whether or not they were recorded in the financial statements of the subsidiary prior to acquisition. On initial recognition, the assets and liabilities of the subsidiary are included in the consolidated balance sheet at their fair values, which are also used as the bases for subsequent measurement in accordance with the group accounting policies. Goodwill is stated after separating out identifiable intangible assets. Goodwill represents the excess of acquisition cost over the fair value of the Group's share of the identifiable net assets of the acquired subsidiary at the date of acquisition.

Goodwill

Goodwill representing the excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is capitalised and reviewed annually for impairment. Goodwill is carried at cost less accumulated impairment losses.

Impairment testing of goodwill

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which management monitors the related cash flows.

Cash-generating units to which goodwill has been allocated are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amount is determined as the higher of value in use less costs to sell.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, the Group estimates expected future cash flows from each cash generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. The data used for the Group's impairment testing procedures are directly linked to the Group's latest approved budget. Discount factors are determined individually for each cash-generating unit and reflect their respective risk profiles as assessed by management. Impairment losses are recognised in the income statement and are allocated to the assets included in the cash generating unit in question.

1. Accounting Policies (continued)

Revenue

Revenue is measured by reference to the fair value of consideration received or receivable by the Group for services provided, excluding VAT and trade discounts.

Property, plant and equipment

Property, plant and equipment is stated at cost or valuation, net of depreciation and any provision for impairment.

Depreciation

Depreciation is calculated to write down the cost or valuation less estimated residual value of all property, plant and equipment other than freehold land by equal annual instalments over their estimated useful economic lives. The rates generally applicable are:

Office equipment - 33% per annum

Material residual value estimates are updated at least annually, whether or not the asset is revalued.

Finance income and costs

Finance income and costs are reported on an accruals basis.

Leased assets

In accordance with IAS 17, the economic ownership of a leased asset is transferred to the lessee if the lessee bears substantially all the risks and rewards related to the ownership of the leased asset. The related asset is recognised at the time of inception of the lease at the fair value of the leased asset or, if lower, the present value of the minimum lease payments plus incidental payments, if any, to be borne by the lessee. A corresponding amount is recognised as a finance leasing liability. Leases of land and buildings are split into a land and building element, in accordance with the relative fair values of the leasehold interests at the date the asset is initially recognised. All property leases held by the Group are short term and have been assessed as operating leases.

The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the income statement over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the income statement on a straight line basis over the lease term. Lease incentives are spread over the term of the lease.

1. Accounting Policies (continued)

Taxation

Current tax is the tax currently payable based on taxable profit for the year.

Deferred income taxes are calculated using the liability method on temporary differences. Deferred tax is generally provided on the difference between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, nor on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with shares in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the group and it is probable that reversal will not occur in the foreseeable future. In addition, tax losses available to be carried forward as well as other income tax credits to the group are assessed for recognition as deferred tax assets.

Deferred tax liabilities are provided in full, with no discounting. Deferred tax assets are recognised to the extent that it is probable that the underlying deductible temporary differences will be able to be offset against future taxable income. Current and deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the balance sheet date.

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the income statement, except where they relate to items that are charged or credited directly to equity in which case the related deferred tax is also charged or credited directly to equity.

Financial assets

Financial assets are divided into the following categories: loans and receivables and available-for-sale financial assets. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which they were acquired, and are recognised when the group becomes party to contractual arrangements. Both loans and receivables and available for sale financial assets are initially recorded at fair value.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade and most other receivables fall into this category of financial assets. Loans and receivables are measured subsequent to initial recognition at amortised cost using the effective interest method, less provision for impairment. Any change in their value through impairment or reversal of impairment is recognised in the income statement.

Provision against trade receivables is made when there is objective evidence that the group will not be able to collect all amounts due to it in accordance with the original terms of those receivables. The amount of the write-down is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows.

A financial asset is derecognised only where the contractual rights to the cash flows from the asset expire or the financial asset is transferred and that transfer qualifies for derecognition. A financial asset is transferred if the contractual rights to receive the cash flows of the asset have been transferred or the Group retains the contractual rights to receive the cash flows of the asset but assumes a contractual obligation to pay the cash flows to one or more recipients. A financial asset that is transferred qualifies for derecognition if the group transfers substantially all the risks and rewards of ownership of the asset, or if the group neither retains nor transfers substantially all the risks and rewards of ownership but does transfer control of that asset.

Available-for-sale financial assets

Available-for-sale financial assets include non-derivative financial assets that are either designated as such or do not qualify for inclusion in any of the other categories of financial assets. All financial assets within this category are measured subsequently at fair value, with changes in value recognised in other comprehensive income. Gains and losses arising from investments classified as available-for-sale are recognised in the income statement when they are sold or when the investment is impaired. In the case of impairment of available-for-sale assets, any loss previously recognised in equity is transferred to the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement. Impairment losses recognised previously on debt securities are reversed through the income statement when the increase can be related objectively to an event occurring after the impairment loss was recognised in the income statement.

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price.

The fair value of financial instruments that are not traded in an active market are determined by using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at each balance sheet date. The Group has used discounted cash flow analysis for various available-for-sale financial assets that are not traded in active markets.

An assessment for impairment is undertaken at least at each balance sheet date.

1. Accounting Policies (continued)

Financial liabilities

Financial liabilities are obligations to pay cash or other financial assets and are recognised when the group becomes a party to the contractual provisions of the instrument.

All financial liabilities are recorded at amortised cost using the effective interest method, with interest-related charges recognised as an expense in finance cost in the income statement. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are charged to the income statement on an accruals basis using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise. A financial liability is derecognised only when the obligation is extinguished, that is, when the obligation is discharged or cancelled or expires.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Discontinued operations

A discontinued operation is a cash-generating unit, or a group of cash-generating units, that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business that has been disposed of or ceased trading
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations or
- is a subsidiary acquired exclusively with a view to resale.

The disclosures for discontinued operations in the prior year relate to all operations that have been discontinued by the balance sheet date for the latest period presented.

Dividends

Dividend distributions payable to equity shareholders are included in "other short term financial liabilities" when the dividends are approved in general meeting prior to the balance sheet date.

Equity

Equity comprises the following:

- "Share capital" representing the nominal value of equity shares.
- "Share premium" representing the excess over nominal value of the fair value of consideration received for shares, net of expenses of the share issue.
- "Other reserve" represents the differences arising from translation of investments in overseas subsidiaries, and fair value on available for sale financial assets
- "Profit and loss reserve" representing retained profits.

1. Accounting Policies (continued)

Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Non-monetary items that are measured at historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Any exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were initially recorded are recognised in the profit or loss in the period in which they arise. Exchange differences on non-monetary items are recognised in the statement of recognised income and expenses to the extent that they relate to a gain or loss on that non-monetary item taken to the statement of recognised income and expenses, otherwise such gains and losses are recognised in the income statement.

The assets and liabilities in the financial statements of foreign subsidiaries and related goodwill are translated at the rate of exchange ruling at the balance sheet date. Income and expenses are translated at the actual rate. The exchange differences arising from the retranslation of the opening net investment in subsidiaries are taken directly to the Translation reserve in equity. On disposal of a foreign operation the cumulative translation differences are transferred to the income statement as part of the gain or loss on disposal.

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (functional currency). The functional currencies of the Group entities are Sterling. The Company's functional currency and the Group's presentational currency is Sterling.

Defined contribution pension scheme

The pension costs charged against profits are the contributions payable to the scheme in respect of the accounting period.

Going concern

The company no longer has any significant trading businesses and is therefore deemed to be an investing company. It now has a low cost base and no borrowings. The directors have prepared cashflow forecasts and budgets that show that for a period of least twelve months from the date of these financial statements, the Group has sufficient resources to continue in business. Accordingly, the directors believe that it is appropriate to prepare the financial statements on a going concern basis.

2. Segment Reporting

During the year all of the Group's major operating segments were either disposed of or ceased to trade. Accordingly no segmental information has been presented other than that of Continuing and Discontinued activities.

Following the disposals and cessation of the group's major trading businesses the group is operating as one segment, represented as continuing operations in the income statement. All information regarding discontinued operations has been given in note 14.

3. Operating Activities and Auditor's Remuneration

	The Group	
	2010	**2009**
	£000	**£000**
Included within results from operating activities are the following:		
Depreciation of plant, property and equipment:		
- Owned assets	6	8
Profit on disposal of plant, property and equipment	-	15
Operating lease rentals - land and buildings	58	143
Foreign exchange losses	1	33
Auditor's remuneration:		
Audit services:		
- Parent company	3	3
- Group	10	10
- Taxation	4	4
Non-audit services:		
- Audit of subsidiaries	22	16
- Interim fee	5	5
- Taxation compliance	7	7

4. Information Regarding Directors and Employees

Employment costs, including Directors, during the year:		
Wages and salaries	487	898
Social security costs	27	199
Defined contribution pension costs	8	9
	522	1,106
Average number of persons, including Directors, employed:	**No.**	**No.**
Sales	11	15
Administration	6	4
	17	19
Directors' remuneration:	**£000**	**£000**
Emoluments	251	381
	No.	**No.**
Number of Directors in money purchase pension schemes	-	-

4. Information Regarding Directors and Employees (continued)

Emoluments of the individual Directors:

	Fees, salaries and taxable benefits £000	Pension contribution £000	Termination payments £000	Total £000
2010				
J A R Jakobi	167	-	-	167
J D Webber	71	-	-	71
S H Rhodes	13	-	-	13
T A E W Wardale	-	-	-	-
	251	-	-	251
2009				
J A R Jakobi	223	-	-	223
J D Webber	121	-	-	121
S H Rhodes	15	-	-	15
T A E W Wardale	22	-	-	22
	381	-	-	381

Directors interest in share options is set out in note 21

5. Key Management Personnel

The key management personnel are considered to be the directors. Included in Directors' emoluments and employment costs are the following amounts charged by entities for the services of directors whilst directors of the Group:

	The Group	
	2010 £000	2009 £000
FJ Associates – J A R Jakobi is a partner	147	223
J Webber Finance Limited	2	-
Wynne Associates Limited - T A E W Wardale was a director	-	22
	149	245

6. Finance Income

Bank interest	-	1

7. Finance Costs

Bank loans, overdrafts and other loans repayable within five years	-	22

8. Income Tax (Credit)/Expense

The relationship between the expected tax (credit)/expense based on the effective tax rate of the Group at 28% (2009: 28%) and the tax (credit)/expense actually recognised in the income statement can be reconciled as follows:

	2010 £000	2009 £000
Loss for the year before tax	(650)	(571)
Tax rate	28%	28%
Expected tax credit	(182)	(160)
Differences between capital allowances and depreciation	(2)	(7)
Expenses not deductible for tax purposes	(87)	-
Losses in overseas subsidiaries		95
Tax losses (utilised)/arising in the year	182	112
Impairment of goodwill and loss on disposal of subsidiaries	113	-
Prior year deferred tax movement		8
Adjustments to tax in respect of prior periods	(24)	(32)
Other timing differences		(9)
Actual tax expense		7

9. Loss Per Share

2010	£000	Weighted average no. of shares	Basic per share amount pence
Continuing operations			
Loss after tax	(650)		
Earnings attributable to ordinary shareholders	(650)		
Weighted average number of shares		28,976,581	(2.24)
Discontinued operations			
Loss after tax	(819)		
Earnings attributable to ordinary shareholders	(819)		
Weighted average number of shares		28,976,581	(2.83)
Total basic and diluted loss per share			(5.07)
2009			
Continuing operations			
Loss after tax	(547)		
Earnings attributable to ordinary shareholders	(547)		
Weighted average number of shares		28,976,581	(1.88)
Discontinued operations			
Loss after tax	(854)		
Earnings attributable to ordinary shareholders	(854)		
Weighted average number of shares		28,976,581	(2.95)
Total basic and diluted loss per share			(4.83)

10. Loss Attributable to Members of the Parent Company

As permitted by Section 406 of the Companies Act 2006, the parent company has not presented its own profit and loss account.

The Company's own loss for the year after taxation amounting to £627,000 (2009: loss of £2,634,000) has been transferred from reserves.

11. Available for sale financial assets

	The Group	
	2010	**2009**
	£000	**£000**
Hambric Sports Management LLC	152	-

The investment in Hambric Sports Management LLC ("HSM") represents a 30% share of the issue share capital of that company. HSM is involved in the management and representation of golfing professionals. Having considered the group position with respect to board representation, involvements in policy decision making, inputs in respect to technical know-how, material contracts between the two parties and any interchange of staff, the directors have concluded that they do not exert any significant influence. The board have reviewed a valuation of the business based on available information and have increased the carrying value to £152,000 with a fair value adjustment through other comprehensive income of £152,000

At 31 December 2010 the group had £152,000 of financial assets grouped into Level 3 - being fair value measurement derived from valuation techniques that include inputs for the assets or liability that are not based on observable market data.

12. Goodwill

Following the annual impairment test for 2010, the carrying value of goodwill is allocated to the following cash-generating units:

	CSS Presenters £000	Total Continuing operations £000	Discontinued operations £000	Total continuing and discontinued operations £000
Cost or valuation:				
At 1 January 2009	402	402	2,914	3,316
Additions	-	-	-	-
Disposals	-	-	-	-
At 31 December 2009	402	402	2,914	3,316
At 1 January 2010	402	402	2,914	3,316
Additions	-	-	-	-
Disposals	-	-	-	-
At 31 December 2010	402	402	2,914	3,316
Accumulated impairment:				
At 1 January 2009	-	-	2,414	2,414
Charge for the year	-	-	500	500
Disposals	-	-	-	-
At 31 December 2009			2,914	2,914
At 1 January 2010			2,914	2,914
Charge for the year	402	402	-	402
Disposals	-	-	-	-
At 31 December 2010	402	402	2,914	3,316
Net book value at 31 December 2010	-	-	-	-
Net book value at 31 December 2009	402	402	-	402
Net book value at 1 January 2009	402	402	500	902

The recoverable amounts for the following cash-generating units were determined based on value-in-use calculations, covering detailed forecasts prepared by management and approved by the board, followed by an extrapolation of expected cash flows for a period of ten years at the growth rates stated below. The growth rates reflect the long-term average growth rates for the cash-generating units within the sectors in which they operate. Growth rates beyond 2014 are not in excess of long term average GDP.

	CSS Presenters
Growth rates	2%
Discount rates	14%

13. Plant, Property and Equipment

	Motor vehicles £000	Office equipment, furniture and fittings £000	Total £000
The Group			
Cost or valuation:			
At 1 January 2009	19	826	845
Additions		4	4
Disposals		(55)	(55)
31 Decmber 2009	19	775	794
Transfer to assets held for sale	-	(268)	(268)
Disposals	-	(387)	(387)
At 31 December 2010	19	120	139
Accumulated depreciation:			
At 1 January 2009	19	793	812
Charge for the year	-	8	8
Disposals	-	(38)	(38)
At 31 December 2009	19	763	782
At 1 January 2010	19	763	782
Charge for the year	-	6	6
Transfer to assets held for sale		(266)	(266)
Disposals	-	(387)	(387)
At 31 December 2010	19	116	135
Net book value at 31 December 2010	-	4	4
Net book value at 31 December 2009	-	12	12
Net book value at 1 January 2009	-	33	33

14. Net Profit from Discontinued Operations

On 30 September 2010, the Board disposed of its European golf business and on 31 December 2010 ceased its Motorsports client business. As a consequence of this decision, revenue and expenses, gains and losses relating to these businesses have been eliminated from the Group's continuing results and presented as a single line item on the face of the income statement (see "net loss from discontinued operations"). The comparative income statement has been represented to show the discontinued operations separately from continuing operations. The operating results for these businesses are summarised below.

Prior year disposals

In 2009, the Board closed its New York based promotions business. These results are described in detail in the 2009 Report and Financial Statements, and are shown below for comparative purposes.

Operating activities of discontinued operations

	GEM 2010 £000	Sports 2010 £000	Golf 2010 £000	Others 2010 £000	Total 2010 £000	GEM 2009 £000	Sports 2009 £000	Golf 2009 £000	Others 2009 £000	Total 2009 £000
Revenue	175	1,074	76	-	1,325	359	1,050	286	-	1,695
Cost of sales	-	-	-	-	-	-	-	-	-	-
Gross profit	175	1,074	76	-	1,325	359	1,050	286	-	1,695
Impairment of goodwill	-	-	-	-	-	(200)	(300)	-	-	(500)
Administrative costs	(208)	(1,785)	(151)	-	(2,144)	(1,035)	(722)	(292)	-	(2,049)
Operating (loss)/profit	(33)	(711)	(75)	-	(819)	(876)	28	(6)	-	(854)
Finance income	-	-	-	-	-	-	-	-	-	-
Finance costs	-	-	-	-	-	-	-	-	-	-
(Loss)/profit before tax	(33)	(711)	(75)	-	(819)	(876)	28	(6)	-	(854)
Income tax expense	-	-	-	-	-	-	-	-	-	-
(Loss)/profit for the year	(33)	(711)	(75)	-	(819)	(876)	28	(6)	-	(854)
(Loss)/profit on disposal	-	-	-	-	-	-	-	-	-	-
Net result from discontinued operations	(33)	(711)	(75)	-	(819)	(876)	28	(6)	-	(854)

Cashflows generated by each disposal or cessation for the reporting periods under review can be summarised as follows:

	GEM 2010 £000	Sports 2010 £000	Golf 2010 £000	Others 2010 £000	Total 2010 £000	GEM 2009 £000	Sports 2009 £000	Golf 2009 £000	Others 2009 £000	Total 2009 £000
Operating activities	(46)	(132)	18	-	(160)	(35)	(21)	63	-	7
Investing activities	-	-	-	-	-	-	-	-	-	-
Financing activities	-	-	-	-	-	-	-	-	-	-
	(46)	(132)	18	-	(160)	(35)	(21)	63	-	7

15. Trade and Other Receivables

Current assets	**The Group 2010**	**2009**
Trade receivables	52	809
Other receivables	36	182
Prepayments and accrued income	287	251
	375	1,242

All trade receivable amounts are short term. The carrying value of trade receivables is considered as a reasonable approximation of the fair value of the receivables.

All of the Group's trade and other receivables have been reviewed for indicators of impairment. No trade receivables were found to be impaired and a provision of £nil (2009: £26,000) has been recorded accordingly.
The impaired trade receivables mostly relate to amounts due from customers operating in areas of business that the Group no longer operates in.

The age of financial assets past due but not considered impaired is as follows:

	2010 £000	**2009 £000**
Not more than 3 months	52	9
More than 3 months but less than 6 months	-	6
More than 6 months but less than 1 year	-	16
More than 1 year	-	19
	52	50

Movements on the group provision for impairment of trade receivables is as follows:

	2010 £000	**2009 £000**
Provision for receivables impairment at 1 January	180	211
Receivables written off during the year as uncollectible	(129)	(30)
Unused amounts reversed	(51)	(27)
New provision in the year	-	26
Provision for receivables impairment at 31 December	-	180

The creation and release of provision for impaired receivables have been included in the income statement. The other classes within trade and other receivables do not contain impaired assets.
The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The Group does not hold any collateral as security.

16. Deferred Tax

Deferred taxation unprovided in the financial statements is £174,944 relating to unutilised tax losses.

Under IAS 12, deferred tax provisions are made for the tax that would potentially be payable on the realisation of assets at book value. Other temporary differences represent deferred tax assets arising from future tax relief available to the Group from capital allowances.

17. Cash at Bank and Cash Equivalents

Current account	6	188

18. Trade and Other Payables

Current liabilities		
Trade payables	69	116
Other taxation and social security	-	-
Other creditors	-	-
Corporation tax	-	25
Accruals and deferred income	349	241
	418	382

All amounts are short term and the carrying values are considered to be a reasonable approximation of fair value.

19. Risk Management Objectives and Policies

Financial assets by category

The IAS 39 categories of financial asset included in the balance sheet and the headings in which they are included are as follows:

	2010 £000	**2009 £000**
Current assets		
- Available for sale assets	152	-
- Loans and receivables	88	991
- Cash	6	188
	246	1,179

Financial liabilities by category

The IAS 39 categories of financial liability included in the balance sheet and the headings in which they are included are as follows:

	2010 £000	**2009 £000**
Current liabilities		
- Financial liabilities measured at amortised cost	418	382

19. Risk Management Objectives and Policies (continued)

The Group is exposed to market risk through its use of financial instruments and specifically to credit risk, and liquidity risk which result from both its operating and investing activities. The Group's risk management is coordinated at its headquarters, in close co-operation with the board of directors, and focuses on actively securing the Group's short to medium term cash flows by minimising the exposure to financial markets. Long term financial investments are managed to generate lasting returns. The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group is exposed to are described below.

Interest rate sensitivity
The group is not exposed to interest rate sensitivity.

Credit risk analysis
The Group's exposure to credit risk is limited to the carrying amount of trade receivables. The Group continuously monitors defaults of customers and other counterparties, identified either individually or by Group, and incorporates this information into its credit risk controls. Where available at reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used. Group's policy is to deal only with creditworthy counterparties. Group management considers that trade receivables that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due. See note 15 for further information on impairment of financial assets that are past due.

None of the Group's financial assets are secured by collateral or other credit enhancements.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Liquidity risk analysis
The Group manages its liquidity needs by carefully monitoring scheduled deferred consideration payments as well as cash-outflows due in day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 180-day and a 360-day lookout period are identified monthly.

The Group maintains cash and marketable securities to meet its liquidity requirements for up to 30-day periods.

20. Capital Management Policies

The Group's capital management objectives are:

- to ensure the Group's ability to continue as a going concern; and
- to provide an adequate return to shareholders

by pricing services commensurately with the level of risk.

The Group monitors capital on the basis of the carrying amount of equity less cash and cash equivalents.
Capital for the reporting periods under review is summarised as follows:

	2010	2009
	£000	£000
Total equity	144	1,462
Cash and cash equivalents	(6)	(188)
Capital	138	1,274
Total equity	144	1,462
Borrowings	-	-
Overall financing	144	1,462
Capital to overall financing ratio	1.04	1.15

21. Called Up Share Capital

	2010 £000	2009 £000
Authorised:		
339,210,771 ordinary shares of 5p each (2008: 339,210,771 ordinary shares of 5p each	16,961	16,961
28,976,581 deferred shares of 45p each (2008: 28,976,581 deferred shares of 45p eacl	13,039	13,039
	30,000	30,000
Allotted, issued and fully paid:		
28,976,581 ordinary shares of 5p each (2008: 28,976,581 ordinary shares of 5p each)	1,449	1,449
28,976,581 deferred shares of 45p each (2008: 28,976,581 deferred shares of 45p eacl	13,039	13,039
	14,488	14,488

The deferred shares do not carry voting rights.

Share-based payments

Details of share options and warrants granted over the ordinary shares are as follows:

	At 1 January 2010 No.	Granted (lapsed/exercised) during the year No.	At 1 December 2010 No.	Exercise price £	Date from which exercisable	Expiry date
Share options						
	528,832	(528,832)	-	0.50	27.10.03	27.10.10
	26,000	(26,000)	-	1.80	17.12.03	17.12.10
	1,440	-	1,440	0.50	02.01.06	02.01.13
	10,000	-	10,000	0.63	17.03.06	17.03.13
	57,500	-	57,500	0.50	17.03.07	17.03.14
	190,475	-	190,475	0.53	23.03.07	23.03.14
	30,000	-	30,000	0.50	08.12.07	08.12.14
	57,500	-	57,500	0.50	08.12.07	08.12.14
	10,000	-	10,000	0.50	09.11.08	09.11.15
	10,000	-	10,000	0.50	24.04.09	24.04.16
	580,000	-	580,000	0.26	07.06.09	07.06.16
	15,000	-	15,000	0.27	21.06.09	21.06.16
	60,000	-	60,000	0.28	01.11.09	01.11.16
	-	-	-	0.29	30.11.09	30.11.16
	1,576,747	(554,832)	1,021,915			
Warrants						
	580,000	(580,000)	-	1.62	09.05.03	09.05.10
	45,000	-	45,000	2.22	17.01.04	17.01.11
	15,000	-	15,000	2.51	06.03.04	06.03.11
	10,000	-	10,000	2.00	18.06.05	18.06.12
	5,000	-	5,000	1.10	13.12.05	13.12.12
	35,000	-	35,000	0.50	17.03.06	17.03.13

The share price range during the year was £0.005 to £0.045 (2009: £0.0075 to £0.03).

Directors' interests in the above share options are set out below. None of the directors has any interest in warrants.

JD Webber	433,832	(433,832)	-	0.50	27.10.03	27.10.10

21. Called Up Share Capital (continued)

The share based payment charge in the year was £nil (2009: £nil).

The weighted average values of options are as follows:	**2010**	**2009**
Weighted average exercise price of options granted	43p	43p
Weighted average exercise price of options exercisable at the end of the year	43p	43p
Weighted average option life remaining	3.02 years	4.02 years

22. Capital Commitments

There were no other capital commitments authorised and contracted for at 31 December 2010 (2009: £nil).

23. Financial Commitments

At 31 December 2010, the Group had commitments in respect of non-cancellable operating leases as follows:

	2010	**2009**
	£000	**£000**
	Land and buildings	
Payable within:		
Within one year	-	23
Between one and five years	-	-
After five years	-	-
	-	23

24. Contingent Liabilities

The Group operates bank accounts for each company under a Standard Composite Accounting System in which any credit balances are automatically set off against any debit balances on a daily basis.

25. Additional Information on Subsidiary Undertakings

Trading Subsidiaries	Nature of business	Ownership	Incorporated In
CSS Presenters Limited	Talent	100*	England and Wales
CSS International Limited	Corporate	100*	England and Wales

At 31 December 2010 all other subsidiaries were dormant.
Entities marked with an asterisk (*) are directly owned by the Company.

26. Related Party Transactions

Company	Sales £000	Purchases £000	Balance at 31 December Owed (To)/From £000	Directors Involved
2010				
FJ Associates Partnership	-	45	-	JAR Jakobi, Partner
J Webber Finance Limited	-	2	-	JD Webber, Chairman
2009				
FJ Associates Partnership	-	60	(1)	JAR Jakobi, Partner
J Webber Finance Limited	3	3	1	JD Webber, Chairman

The above trading transactions were all at arms' length and mainly related to expense recharges and overheads, and are in addition to those transactions set out in note 4.

During the year, the company ceased to undertake its Motorsports client business in an arrangement with GP Sports Holdings Limited (see Operating and Financial Review). GP Sports Holdings Ltd is part owned by Mr J A R Jakobi, a director and substantial shareholder of CSS Stellar Plc.

During the year, an accrued provision of £109,953 was recognised in respect of a debtor collection fee due to GP Sports Holdings Ltd.
A further accrued provision of £18,106 was made in respect of an amount due to GP Sports Holdings Limited as a result of a litigation. At the year end date, GP Sports Holdings Limited owed £ 110,156 to CSS Stellar Plc. GP Sports Holdings Limited is a company owned by Mr J A R Jakobi.

27. Accounting Policies - Company

The Financial Statements are prepared in accordance with applicable United Kingdom accounting standards (UK GAAP). The principal accounting policies of the Company are set out below. The policies have remained unchanged from the previous year, and the Board consider them to be the most appropriate for the Company.

Basis of Preparation

The financial statements have been prepared under the historical cost convention.

Investments

Investments held as fixed assets are stated at cost less provision for any impairment. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairments are calculated such that the carrying value of the fixed asset investment is the lower of its cost or recoverable amount. Recoverable amount is the higher of its net realisable value and its value in use.

Financial Instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

A financial liability exists where there is a contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities under potentially unfavourable conditions. In addition, contracts which result in the entity delivering a variable number of its own equity instruments are financial liabilities.

Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. The carrying amount of the liability is increased by the finance cost and reduced by payments made in respect of that liability. Finance costs are calculated so as to produce a constant rate of charge on the outstanding liability.

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Dividends and distributions relating to equity instruments are debited directly to reserves.

Deferred Taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those which are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

28. Fixed Asset Investments

	The Company	
	2010	**2009**
	£000	**£000**
Subsidiary undertakings	-	400

	Subsidiary Undertakings
	£000
Cost	
At 1 January 2010	11,726
Disposals	-
At 31 December 2010	11,726
Provisions for impairment	
At 1 January 2010	11,326
Change in the year	400
Disposals	-
At 31 December 2010	11,726
Net book value	
At 31 December 2010	-
At 31 December 2009	400

Following a review of the Company's investments and a number of disposals during the year, an impairment provision of £0.4 million was made.
During the year the trading activities of CSS Stellar Sports Ltd and Hambric Stellar Golf Limited were ceased and disposed of respectively. This led to an impairment provision of £0.4 million being recognised by the directors. The companies only remaining trading company is CSS Presenters Limited.

29. Debtors

	The Company 2010 £000	2009 £000
Amount owed by group undertakings	-	-
Other debtors	30	297
	30	297

30. Creditors

	2010 £000	2009 £000
Amounts owed to group undertakings	-	229
Other creditors	-	-
Accruals	167	-
	167	229

31. Called Up Share Capital

	2010 £000	2009 £000
Authorised:		
339,210,771 ordinary shares of 5p each (2008: 339,210,771 ordinary shares of 5p each)	16,961	16,961
28,976,581 deferred shares of 45p each (2008: 28,976,581 deferred shares of 45p each)	13,039	13,039
	30,000	30,000
Allotted, issued and fully paid:		
28,976,581 ordinary shares of 5p each (2008: 28,976,581 ordinary shares of 5p each)	1,449	1,449
28,976,581 deferred shares of 45p each (2008: 28,976,581 deferred shares of 45p each)	13,039	13,039
	14,488	14,488

The deferred shares do not carry voting rights.

32. Reserves

	Share Premium Account	Revaluation Reserve	Translation Reserve	Profit and Loss Account	Total
The Company					
	£000	£000	£000	£000	£000
At 1 January 2009	28,158	-	-	(42,156)	(13,998)
Loss for the year	-	-	-	(627)	(627)
At 31 December 2009	28,158	-	-	(42,783)	(14,625)

33. Related party disclosures
The Company has exemption from disclosing related party transactions with its wholly owned subsidiaries by virtue of its stat
as parent company of the Group. All other related party transactions have been disclosed in note 26.