YOLO

Leisure and Technology PLC

Annual Report
30 September 2018

YOLO LEISURE AND TECHNOLOGY PLC

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 SEPTEMBER 2018

Company Registration Number: 4488281 (England and Wales)

YOLO LEISURE AND TECHNOLOGY PLC

REPORT AND FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 30 SEPTEMBER 2018

CONTENTS **Page**

Directors	S L Robinson (Chairman) M S Bhatti S T Nicolson (Appointed 25 September 2018)
Secretary	S T Nicolson
Company number	4488281
Registered Office	4 More London Riverside London SE1 2AU
Nominated adviser	Cairn Financial Advisors LLP Cheyne House Crown Court 62 - 63 Cheapside London EC2V 6AX
Auditors	haysmacintyre 10 Queen Street Place London EC4R 1AG
Solicitors	Womble Bond Dickinson LLP 4 More London Riverside London SE1 2AU
Registrars	Share Registrars Limited 27-28 Eastcastle Street London W1W 8DH
Brokers	Peterhouse Capital Limited 15 Eldon Street London EC2M 7LD
Website	www.yoloplc.com

Introduction

I am pleased to present the annual report and financial statements for YOLO Leisure and Technology plc ("YOLO" or the "Company"), covering our financial year ended 30 September 2018. As an AIM listed investment business our strategy has been to invest into early stage companies with entrepreneurial founders that are passionate about innovative a customer experiences in their specific sector and by doing so maximise value for shareholders.

Throughout the year we have continued to work closely, patiently and in collaborative partnership with our investee company founders and other board members to deliver and fulfil their business plans and potential. We recognise that establishing early stage companies has both its challenges and potential for shareholder upside and we remain passionately supportive and resourceful to assist them in their pursuit of success and realisation of their vision.

Additionally we have continued to seek out further investment prospects consistent with our investment strategy and which have the potential to create value for our shareholders. However we were unable to identify suitable prospects that met our investment criteria in the year ended September 2018.

Financial Review

Total comprehensive loss for the year was £1,105,214 (2017: income £726,153). Unrealised loss on investments were £841,489 (2017: gain £657,935) and realised gains on disposal of investments were £nil (2017: £270,559). Cash at the bank at the year-end was £270,524 (2017: £619,939).

During the year, the Company consolidated and subdivided its share capital which resulted in YOLO shareholders receiving one new ordinary share of 0.01p each ("New 0.01p Ordinary Share") and one new A deferred share of 9.99p each ("New Deferred Share") in YOLO in exchange for every 10 existing ordinary shares of 1p each ("Existing Ordinary Shares").

As at 30 September 2018, gross assets were £3,441,505 (2017: £4,558,402) and the net fair value of investments held was £3,083,995 (2017: £3,875,483). Total net assets were £3,408,811 (2017: £4,514,025) which represents 7.72 (2017: 10.23) pence per share.

Simplestream Limited

Simplestream is a leading provider of software as a service (SaaS) based video streaming solutions. The company is a market leader for its Live2VOD and Hybrid TV solutions. Clients include; News Corporation (Ball Ball), A&E Networks, AMC Networks, Sony Traceplay, QVC TV, Box Nation, Little Dot Studios and At The Races amongst others.

Simplestream's cloud based Media Manager platform provides broadcasters and rights owners with an end-to-end technology services eco-system, with a full range of multi-platform TV and video distribution products including: low latency online simulcasts of TV channels, real-time sports highlights clipping, broadcaster catch-up services, social video syndication and subscriber management services.

Simplestream's technology platform also provides multi-channel, multi-territory frontend templated applications for a complete range of connected devices including mobiles, tablets, connected TVs and fast growing over the top (OTT) platforms such as Amazon Fire TV, Apple TV and Roku. In the UK, Simplestream's "Hybrid TV" solution is used by leading broadcasters to power "catchup" services on Freeview, Freesat, YouView and EETV.

Simplestream now delivers services across Europe, the US, Africa and the Far East with further international expansion planned for 2019. New partners signed up during the year include NOVA (a telco in Iceland) and Blue Ant Media (a global production company headquartered in North America).

In November 2018 Simplestream launched its Sport Video Platform. The new platform includes low latency streaming, live event management, automated generation of video highlights and data integrations for real-time match, league and player stats, plus immersive HTML5 based applications that can sit across any device. The Sports Video Platform comes with AVOD/SVOD and PPV models out of the box, so that any league, channel or federation can now generate revenue whilst at the same time learn about their customers through valuable, real time return path data – something that traditional methods of TV delivery are unable to deliver.

Yolo holds 9,943 shares in Simplestream, which represents 6.34% on a fully diluted basis.

TVPlayer Limited

TVPlayer is a complete next generation pay TV platform that now offers comparable functionality to traditional pay TV services (including live, catch-up, on demand, and pay per view). The business offers entry-level pay TV services to the increasing number of households who consume media via the internet in preference to traditional television methods.

TVPlayer operates a freemium proposition providing value-based pay TV subscriptions, without a contract, focused on entertainment, documentary and lifestyle shows (which are under-represented viewing groups in a market often dominated by movies and sport). The company has already seen over 5m downloads of its app and is the third largest independent TV platform in the UK. TVPlayer has 2m monthly active users on the freemium model and has achieved over 50,000 paying subscribers who subscribe to packs ranging from £6.99 to £9.99 per month. The business is evaluating the most effective way to monetise its freemium and paid subscriber models including the introduction of Pay Per View events.

TVPlayer is a fully licensed TV service for viewers in the United Kingdom and has successfully negotiated and implemented licensing deals with all major broadcasters including public service broadcasters the BBC, ITV, Channel 4 and Five, and pay TV providers, A+E, Discovery, FOX, Turner, NBC and UKTV. Subscribers can watch TV anytime, anywhere with live streaming, start-over, catch up and network recording supported across many channels on all major devices including Smart TV, mobile, tablet, desktop, Apple TV, Amazon Fire TV and Roku. TVPlayer is also ITV's official online partner for ITV Box Office, a pay-per-view service that includes the World Boxing Super Series.

In January 2018, TVPlayer raised £1.24m in convertible loan notes of which YOLO took up £50,000 of the notes and A&E Networks took up £1m. In November 2018 TVPlayer announced a Series A £8m fundraise to be led by AMC Networks Inc investing £2m via a convertible loan note. However, due to economic uncertainty in the financial markets, funding is proving difficult to secure and TVPlayer is exploring all options including a trade sale or a listing.

YOLO holds 11,067 shares in TVPlayer which represents 3.28% on a fully diluted basis.

Gfinity plc

Gfinity is a world-leading esports solutions provider. During the year 2018, Gfinity signed an exclusive digital broadcast agreement with Facebook Inc; acquired RealSM, a fan-oriented digital sports media platform, and CEVO, an American based provider of technology and services to the eSports market and Gfinity achieved live viewership for season 3 of 12.5 million people, with a further 4.9 million viewing ancillary content.

YOLO holds 400,000 shares in Gfinity which represents 0.1% on a fully diluted basis.

AudioBoom plc

AudioBoom is one of the world's leading spoken-word audio or podcasting platforms for hosting, distributing and monetising content that enables the creation, broadcast and syndication of audio content across multiple networks and geographies. AudioBoom completed a fundraise of £4.5m during the year and has announced a number of partnerships with Spotify, Formula 1 podcast, a number of international advertising sales partnership extending its reach into Australia, New Zealand, India and Canada.

Yolo holds 5,340,000 shares in AudioBoom which represents 0.45% on a fully diluted basis.

Magic Media Works Ltd

Magic Media Works is a music entertainment technology business. The company's mission is to bring families together, through shared music entertainment experiences, making every home a connected home.

ROXI, which launched in the UK and US markets in late 2017, is an easy way for friends and families to enjoy music together, with a two minute set-up, tens of millions of songs pre-loaded, voice search and many unique bonus entertainment features, all in one competitively-priced music entertainment hub.

Offering unlimited music, karaoke-style singing, global radio access, an ambient sound machine and ROXI’s unique music trivia game, Name That Tune, ROXI is highly differentiated and popular with its target market of older, family consumers. The company has global rights agreements with the major labels (Universal Music Group, Sony Music Group, Warner Music Group) and major independents including Merlin Music, providing customers with one year's access to a premium music catalogue of over twenty nine million music tracks.

In addition to effortless media discovery and consumption, ROXI’s vision is to create experiences that bring people together around music, and support activity beyond simply listening to music, with a clearly differentiated software and hardware offering. ROXI has built a multi-territory media platform with localisation available for language, search, catalogue and playlist curation.

On 7 December 2017, YOLO made a strategic decision not to invest additional capital into Magic and instead, as the largest shareholder, agreed to release some of its shares in Magic and its right to acquire additional shares in Magic to new investors in order to assist Magic in completing a fundraise and so help it to achieve its goals and potential. Henrik Holmark, previously the CFO of Pandora Jewellery(CPH: PNDORA), invested £650,000 in the fund raise and joined the Magic board as a non-executive director.

During the year 2018, Magic Media developed and test launched its new TV infomercial shows across mainstream TV in the UK and the USA, in partnership with specialist infomercial content providers, to enable a scaling of the business in these markets.

Magic Media completed a further fundraise of £0.9m on 5 December 2018 to enable it to launch its Christmas 2018 TV campaign for the ROXI home music entertainment product which was broadcast on ITV2, ITV3, ITVBe, Film4, SyFy, GOLD, National Geographic, 5Select, 5USA, Fox and Talking Pictures.

The largest investor in the round was private investor and Saracens Rugby Club owner Nigel Wray, who is also the largest investor in YOLO. Magic Media´s founder CEO Rob Lewis, Henrik Holmark (the previous CFO of Pandora Jewellery) and Endeavour Ventures also participated directly in the round.

As part of this round YOLO and the majority of other loan note holders agreed to extend the longstop date for repayment to 19 November 2023, and to waive their rights to the historic and future interest payments due on the loan notes. YOLO holds 1,646,682 shares which represents 15.8% of the fully diluted share capital. YOLO also holds £500,000 of convertible loan notes.

Share reorganisation

During the year 2018, the Company consolidated and subdivided its share capital which resulted in YOLO shareholders receiving one new ordinary share of 0.01p each ("New 0.01p Ordinary Share") and one new A deferred share of 9.99p each ("New Deferred Share") in YOLO in exchange for every 10 existing ordinary shares of 1p each ("Existing Ordinary Shares"). Following completion of the share capital reorganisation, the total issued ordinary share capital of the Company is now 44,132,276 New 0.01p Ordinary Shares.

Post Year End Fund Raise and Investment

On 5 February 2019, YOLO successfully raised £300,000 before costs via a placing ("Placing") of 8,000,000 new ordinary shares of 0.01p each with new and existing investors at an issue price of 3.75p per share ("Placing Shares"). Under the Placing each Placee received one warrant for every four Placing Shares subscribed for as part of the Placing. The warrants are exercisable at 5.00p per share at any time for a period of three years from the date of Admission of the Placing Shares. Following completion of the Placing, the total issued ordinary share capital of the Company was 52,132,276 New 0.01p Ordinary Shares.

On same date, the Company invested £100,000 in Sparkledun Ltd ("Sparkledun") in equity to acquire 3.41% of its issued share capital. Sparkledun through its trading subsidiary, Fast to Fibre Limited ("Fast to Fibre"), has rights to exploit and further develope a technology solution utilising a unique patented process for the extraction of the inner core of telecoms and power cables, allowing the insertion of fibre optic without the need for excavation or other disruptive techniques.

The Fast to Fibre commercial proposition is to reduce the cost of fibre optic deployment particularly in difficult to access areas such as urban and city centres, thereby increasing the pace of adoption in line with government targets around the world to provide ultra-fast internet access.

Fast to Fibre has successfully completed several trials in a variety of different geographical locations and complex situations and is progressing a number of major commercial opportunities.

Investment Strategy

Our vision is to be a successful and profitable investment company focusing on technology, travel, leisure and media businesses. We will achieve this by identifying early stage or turnaround opportunities that require investment and or have the potential for a reverse takeover. We will invest into businesses with content and delivery capability that engage customers, monetise the user experience and have potential to scale.

The Company's investing policy is to invest into businesses which have some or all of the following characteristics:

- strong management with a proven track record;
- ready for investment without the need for material re-structuring by the Company;
- generating positive cash flows or imminently likely to do so;
- via an injection of new finances or specialist management, the Company can enhance the prospects and therefore the future value of the investment;
- able to benefit from the directors' existing network of contacts; and
- the potential to deliver significant returns for the Company.

Whilst the directors will be principally focused on making an investment in private businesses, they would not rule out investment in listed businesses if this presents, in their judgment, the best opportunity for shareholders.

The Company intends to be an active investor in situations where the Company can make a clear contribution to the progress and development of the investment. In respect of other, more substantial investment opportunities, the directors expect that the Company will be more of a passive investor.

The directors believe that their broad collective experience together with their extensive network of contacts will assist them in the identification, evaluation and funding of appropriate investment opportunities. When necessary, other external professionals will be engaged to assist in the due diligence on prospective targets and their management teams.

There will be no limit on the number of projects into which the Company may invest, and the Company's financial resources may be invested in a number of propositions or in just one investment, which may be deemed to be a reverse takeover pursuant to Rule 14 of the AIM Rules. Where the Company builds a portfolio of related assets it is possible that there may be cross-holdings between such assets. The Company does not currently intend to fund any investments with debt or other borrowings but may do so if appropriate.

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The Company's primary objective is that of securing for the shareholders the best possible value consistent with achieving, over time, both capital growth and income for shareholders through developing profitability coupled with dividend payments on a sustainable basis.

Outlook

We will continue to pursue and evaluate opportunities that meet our investment criteria. The board has evaluated a number of potential investments during the year and continues to look at opportunities in the technology, travel, leisure and media sectors and will only make investments in those projects that the board believes has the potential to create value for shareholders.

I would like to thank our shareholders and advisors for continuing to show support in the board and its vision.

Simon Robinson
Chairman
Date: 19 March 2019

YOLO LEISURE AND TECHNOLOGY PLC

STRATEGIC REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2018

Principal Activity

The Company is an investment company and focuses on opportunities in the technology, travel, leisure and media sectors.

Business Review and Future Developments

A review of the business during the year and the likely future direction are explained in the Chairman's Statement on pages 2 to 6.

Risks and Uncertainties

The Company is subject to a number of risks and uncertainties. The board of directors is responsible for establishing internal controls, reviewing them for their effectiveness and mitigating risk. The key risks and how they are mitigated are detailed below:

- The Company's performance can be affected by general economic downturn. Forward looking indicators are regularly reviewed to identify varying market conditions.
- The cost base is reviewed regularly and the current management structure in place allows management to respond to changing circumstances very quickly.
- Performance of investments will be a risk to the Company in the future. To mitigate the risks inherent in making investments the Company carries out sufficient due diligence on acquisitions and monitors the performance of investments by regular review of financial information.
- As an investment company the directors will continue to ensure that there are sufficient funds in place to support the continuing investment strategy.

Key performance indicators

Measuring performance is integral to our strategic growth. The board has selected KPIs to benchmark the Company's progress and consider that future investment income and investment growth will be the measures used to assess the progress of the Company.

Investment income: is detailed in the statement of comprehensive income. The board recognises that not all investments will generate income for the Company as they are early stage start-ups and will be continually re-investing cash generated back into the business for further growth.

Investment growth: the board monitors progress of its investments on a quarterly basis and has a presence on the board of its private investments either as formal board member and or observer to closely monitor the progress of its investments and assist the managements where it can add value. Investment growth is detailed in note 9.

Overhead base: the board is satisfied with the level of costs and that these have been maintained to a minimum level

Approval

This report was approved by the board of directors and authorised for issue on 19 March 2019 and signed on its behalf by:

S Robinson
Chairman

The directors present their report together with the financial statements for the year ended 30 September 2018.

Directors and Directors' Interests

The directors who served during the year and their interest in the shares of the Company are detailed below:

Details of Directors' Warrants

	Share Warrants 2018 Number	Share Warrants 2017 Number
Simon Robinson - exercise price 13p, expires 31 October 2019	980,000	980,000
Sohail Bhatti	-	-
Sean Nicolson	-	-
	980,000	980,000

	S L Robinson		M S Bhatti		S Nicolson	
	Shares	Warrants	Shares	Warrants	Shares	Warrants
At 1 October 2017	1,126,043	980,000	66,667	-	155,769	-
Acquired 6 March 2018	263,158					
At 30 September 2018	1,389,201	980,000	66,667	-	155,769	-

During the year Simon Robinson acquired 263,158 ordinary shares.

Significant and substantial shareholders

As at 28 February 2019 the Company had been notified of the following interest of 3% or more in the nominal value of the Company, save for the directors whose interests are disclosed above:

Shareholder	Number	%
Nigel Wray	10,010,000	19.2%
Chris Akers	8,000,000	15.35%
JIM Nominees	4,045,569	7.76%
Hargreaves Lansdown	4,246,950	8.15%
James Healy	2,000,0000	3.84%
CGWL Nominees	1,864,230	3.58%
Lynchwood Nominees	2,626,600	5.04%

Statement of disclosure of information to the auditor

The directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the Company's auditor is unaware, and each director has taken all steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Going concern

The directors have prepared a cash flow forecast for the period ending 30 June 2020. Having considered all known costs, the board is of the opinion that there are sufficient funds available to continue as a going concern for the foreseeable future. The board is also planning to raise additional funds to continue to carry out its investment strategy as opportunities arise.

Dividends

The board does not propose to pay any dividend for the year (2017 – nil).

The report was approved by the directors on 19 March 2019 and signed on its behalf by

Simon Robinson
Chairman

The Company is committed to applying the highest principles of corporate governance commensurate with its size.

As the Chairman, I have overall responsibility for implementing corporate governance at YOLO Leisure and Technology plc (Company or YOLO). Working with the company secretary, I am responsible for our corporate governance statements. The board is collectively responsible for setting the tone and culture of the Company and promoting good corporate governance.

As an AIM listed company, YOLO does not have to comply with the UK Corporate Governance Code published by the Financial Reporting Council in 2018. The board embraces the principles of good corporate governance and has adopted the Quoted Companies Alliance Corporate Governance Code for small and medium sized listed companies published in 2018 (QCA Code).

At YOLO we believe in good corporate governance and accountability and we make robust corporate governance part of our culture and business values. This statement sets out the information to be published in accordance with the QCA Code. Where we do not fully comply with the expectations of the QCA Code, we explain why that is the case and we review our position regularly. In accordance with the QCA Code, this year's annual report includes additional disclosure in relation to remuneration and a description of the work of the audit committee. This statement also reviews and reports on any significant changes in our corporate governance during the period since the previous annual report.

Our primary means of communicating our approach to corporate governance is through our annual report and our website disclosures. Where specific questions are raised by private individual shareholders and institutional investors, we engage directly with those shareholders. This statement sets out how the board is led, its responsibilities, our risk reporting, governance structure and engagement with stakeholders. Robust corporate governance improves performance and mitigates risk and therefore is key to the long-term success of the Company.

The Board

During the year under review, the board comprised two executive directors (Simon Robinson and Sohail Bhatti) and, from 25 September 2018, a non-executive director (Sean Nicolson).

Simon Robinson has been Chairman since his appointment to the board. Until such time as a non-executive Chairman is appointed, Sean Nicolson will act as Senior Independent Non-executive Director. Brief biographies of the directors are set out below.

Simon Robinson
Executive Chairman
Member of the board since 2014
Chairman of the nomination committee and member of the audit committee

Simon's career with Thomas Cook spanned 16 years from 1997 to 2013. Simon progressed his career in the hotel and leisure industry, from front line customer service and commercial roles to CEO of Thomas Cook's retail joint venture, with responsibility for £4.5bn of revenues together with 6 multi-channel and 3 product businesses.

After working in Germany in a shareholder relations capacity, Simon was appointed Product Director, Tour Operations in 2001, generating revenues of £1bn, and heading the rebranding strategy of three customer lifestyle brands.

In 2003, he was appointed as Retail Director, leading a network of 480 retail stores each selling travel and financial services products. In 2007, following the merger of Thomas Cook with Mytravel, he was promoted to Managing Director, Multi-Channel Retail (UK), assuming responsibility for £3.5bn of revenues incorporating all ecommerce businesses for one of the UK's most visited websites, 800 retail outlets and Call Centres.

In 2010, Simon joined Thomas Cook's European Online Travel Agency as MD for the UK region. In late 2011, he was appointed CEO of a newly created retail joint venture consisting of ecommerce, retail and specialist businesses with an Operating profit of £56m & 9,000 employees and sitting on 3 group boards.

Sohail Bhatti
Finance Director
Member of the board since 2014
Member of the nomination committee

Mohammed Sohail Bhatti is a Fellow of The Association of Chartered Certified Accountants (FCCA), and has served as finance and non-executive director of a number of private and quoted companies for more than 20 years. In 1998, he joined Transcomm plc, an AIM quoted telecommunications group as finance director for one of its subsidiary undertakings and served for 6 years until its acquisition by British Telecom in 2004. Later that year he supported the private equity acquisition of a former Ericsson data radio technology company, and founded Woodhouse Price Limited, a licensed accountancy practice.

Sean Nicolson
Senior Independent Director
Member of the board since September 2018
Chairman of the audit and remuneration committees and member of the nomination committee

Sean Nicolson is a corporate financier with over 25 years' experience of corporate and investment finance. He has assisted a wide range of companies to raise finance from venture capital and private equity investors and has also advised investment funds and investment managers. In addition he has been involved with a number of flotations and fundraisings on the Main Market and AIM. He has worked across a variety of sectors including technology, media, telecoms and life sciences.

Sean is the founder of and a partner in Saker Capital LLP, an investment fund that makes venture capital investments at all stages of a company's development.

Sean was previously a director and chairman of EVR Holdings plc, the AIM listed owner of MelodyVR. In that role he led EVR Holdings through the acquisition of MelodyVR and its subsequent fundraisings. Sean was also an executive director of AIM listed drug discovery company e-Therapeutics plc, having advised that company on all of its venture capital fundraisings, its flotation on AIM and subsequent placings. Prior to his commercial roles, Sean was a corporate finance partner of a leading UK law firm in which role he advised companies and founders at all growth stages on venture capital and private equity investments, flotations and mergers and acquisitions. He also advised merchant banks and brokers on flotations and secondary share issues and worked with a number of universities to develop and deliver technology transfer strategies.

Board Independence

Sean Nicolson, the non-executive director, is considered by the board to be independent. He acts independently of management and is free from any substantial business relationship that could materially interfere with the exercise of his judgement.

The company secretary maintains a register of outside interests and any potential conflicts of interest are reported to the board.

Senior Independent Non-executive Director

Sean Nicolson has been appointed as the Senior Independent Non-executive Director and will continue in that role until a non-executive Chairman is appointed. As such, he is the main point of contact for shareholders if there are any concerns that cannot be addressed through the Chairman or another executive director. He is also available to anyone working for the Company who wishes to raise a concern with him.

Board Effectiveness

The Company's directors have experience of managing business operations of listed and unlisted company groups. This operational experience is invaluable when assessing the commercial aspects of investment opportunities and also the strength of management teams. Sohail Bhatti is a qualified accountant. His professional experience is utilised in the assessment of the financial aspects of investments.

The directors maintain their skills by attending relevant seminars and workshops. Where it is felt that a director has a particular training or education need, the Company will help identify and meet the costs of appropriate training and courses. The company secretary ensures that all directors are kept abreast of changes in relevant legislation and regulations (with the assistance of the Company's solicitors where appropriate).

The composition of the board does not meet the QCA Code's recommendations as the Company does not have two independent non-executive directors. The board considers its composition appropriate for an AIM listed company of its size, market capitalisation and investing activities. However, the board will continue to keep this under review.

Whilst the Company is guided by the provisions of the Combined Code in respect of the independence of directors, it has regard to the overall effectiveness and independence of the contribution made by directors to the board in considering their independence. A director's period of service is not considered in isolation to determine their independence.

The board is satisfied that, between the directors, it has an effective and appropriate balance of skills and experience. All directors receive regular and timely information on the Company's operational and financial performance. Relevant information is circulated to the directors in advance of board meetings.

Appointment, removal and re-election of directors

Through the nomination committee, there is a formal, rigorous and transparent procedure for the appointment of directors. The Company's articles of association require that one-third of the directors must stand for re-election by shareholders annually in rotation, that all directors must stand for re-election at least once every three years and that any new directors appointed during the year must stand for election at the AGM immediately following their appointment.

Independent external advice

All directors are able to take independent professional advice in the furtherance of their duties, if necessary, at the Company's expense. In addition, the directors have direct access to the advice and services of the company secretary.

Board Performance

Following the adoption of the QCA Code, the board will review its performance and effectiveness and the performance of each director on an annual basis. The Company will undertake annual monitoring of personal and corporate performance responsibility. The board currently considers that the use of external consultants to facilitate the board evaluation process is unlikely to be of significant benefit to the process, although the option of doing so is kept under review.

Evaluation of the performance of the Company's board has historically been implemented in an informal manner. Over the next 12 months the Company intends to review the performance of the board as a whole to ensure that the members of the board collectively function in an efficient and productive manner and identify any development or mentoring needs of individual directors. The focus of the review will be to identify any gaps in skills and experience, how well the board functions as a group and the individual contributions made by each director. The Chairman will be responsible for leading the review and will involve external support as appropriate.

Corporate Culture

The board believes that the promotion of a corporate culture based on sound ethical values and behaviours is essential to maximise shareholder value. This means promoting strong business ethics.

As a first priority, the Company seeks to uphold individual human rights in its operations, and expects the same from all the companies that it invests in. The Company's policies outline the behaviours expected and set out the Company's zero tolerance approach towards any form of modern slavery, discrimination or unethical behaviour relating to bribery, corruption or business conduct.

The Company is committed to building an inclusive culture. Discrimination in all its forms (including on the basis of age, race, sexual orientation, religion, national origin and gender) is not tolerated at any level.

Company Secretary

Sean Nicolson has been the company secretary since 2014. He provides information and advice on corporate governance and individual support to directors on any aspect of their role, particularly supporting the Chairman and those who chair board committees.

Reporting directly to the Chairman, the Company secretary is responsible for ensuring that board procedures are followed, that the company complies with company law and the AIM Rules and that the board receives the information it needs to fulfil its duties effectively. The appointment (or termination of appointment) of the company secretary is a matter for decision by the whole board.

Meetings of the Board and Committees of the Board

During the financial year the board met seven times in person and on other occasions by telephone.

Prior to the appointment of Sean Nicolson as non-executive director, the board comprised two executive directors and had not established any committees. Following the appointment of Sean Nicolson on 25 September 2018, audit, nomination and remuneration committees have been appointed. No committee meetings were held during the financial year.

The number of board meetings attended by each director was as follows.

Director	Number of Meetings Attended	Number of Meetings During Time in Office
Simon Robinson	7	7
Sohail Bhatti	7	7
Sean Nicolson (non-executive) †	0	0

† Appointed on 25 September 2018

Specific matters are reserved to the board and are set out in a written statement adopted by the board. Such matters include overall company strategy, the annual business plan, the making and disposal of investments, the approval of the accounts, risk management, the appointment of senior management and the appointment and removal of the auditors. The board also seeks to ensure that the necessary financial and human resources are in place for the Company to be able to meet its objectives, to review management performance and to ensure that its obligations to its shareholders are understood and met.

Whilst the executive responsibility for running the Company rests with the executive directors, the non-executive director fulfils an essential role in ensuring that the strategies proposed by the executive directors are fully discussed and critically examined prior to adoption. He also scrutinises the performance of management in meeting agreed goals and objectives and monitors the reporting of performance, both financial and non-financial.

The board is responsible for the long-term success of the Company. It is responsible for:

- overall company strategy;
- approval of investments;
- approval of the annual and interim results;
- annual budgets;
- dividend policy;
- board structure;
- the exposure to key business risks.

As there are only three directors, the board works in a highly collegiate manner. The Chairman is formally responsible for running the business of the board and for ensuring appropriate strategic focus and direction. Sohail Bhatti is Finance Director and he is responsible for the Company's accounting records and the preparation of the management and annual accounts.

The Company's executive directors work together very closely and meet together on most working days. The board meets formally at least four times each year to review routine matters. Additional formal meetings are held as necessary (including to approve fundraisings and the making or disposal of investments).

The board receives appropriate and timely information prior to each meeting. A formal agenda is produced for each meeting, and board papers are distributed several days before meetings take place. Any director may challenge Company proposals and decisions are taken democratically after discussion. Although the Chairman has a casting vote, in practice all decisions are taken with the approval of all directors.

All directors appointed by the board must retire and seek election at the first annual general meeting following their appointment. The directors are also required to retire and submit themselves for re-election at least once in every three years.

Sean Nicolson will retire and seek election at the next annual general meeting. The board is satisfied that plans are in place for orderly succession for appointments to the board, so as to maintain an appropriate balance of skills and experience within the company and on the board.

Audit Committee

The audit committee meets at least twice a year. It has primary responsibility for monitoring the quality of internal controls and ensuring that the financial performance of the Company is properly measured and reported on. It receives and reviews reports from the Finance Director and the auditor relating to the annual accounts and the accounting and internal control systems in use throughout the Company. It also advises the board on the appointment of the auditor, reviews their fees and discusses the nature, scope and results of the audit with the auditor.

The audit committee is chaired by the independent non-executive director, Sean Nicolson. Simon Robinson is the other member of the committee.

With the consent of the committee chairman, meetings are attended by the Finance Director and representatives of the Company's independent auditors. Time is set aside for discussions between the committee's members and the independent auditors in private.

Remuneration Committee

The remuneration committee reviews the performance of executive directors and sets the scale and structure of their remuneration and the terms of their service agreements with due regard to the interests of shareholders. The remuneration committee also determines the payment of bonuses to executive directors and the allocation of share options to executive directors and any other employees.

The Chairman and Finance Director are invited to attend for some parts of the committee meetings where their input is required although they do not take part in any discussion on their own benefits and remuneration.

The remuneration and terms and conditions of appointment of the non-executive director is set by the board.

The chairman and sole member of the remuneration committee is Sean Nicolson.

Nominations Committee

The nomination committee is responsible for reviewing the structure, size and composition (including the skills, knowledge, experience and diversity) of the board and making recommendations to the board with regard to any appointments and changes to the board structure.

The chairman of the nomination committee is Simon Robinson and the other members are Sohail Bhatti and Sean Nicolson.

Risk Management and Internal Control

The audit committee is responsible for establishing the Company's system of internal control (covering all aspects of the business) and for reviewing its effectiveness. The committee adopts an ongoing process for identifying, evaluating and managing the significant risks faced by the Company. This ongoing process is regularly reviewed by the committee and takes account of the Turnbull guidance.

The audit committee meets with the executive directors and the Company's independent auditors and satisfies itself as to the adequacy of the Company's internal control systems.

A list of the Company’s principal risks appears on pages 18 to 19.

YOLO is an entrepreneurial company with strong financial and management controls within the business. Examples of control procedures include:

- The annual budget is set by the board and there is regular review of progress.
- The executive directors meet monthly to review management information and follow up on operational issues or investigate any exceptional circumstances.
- Treasury policy.
- Clear levels of authority, delegation and management structure.
- Significant contracts are reviewed and approved by the board. Other contractual commitments are subject to executive director approval within set authority limits.
- All bank accounts and balance sheet accounts are reconciled monthly.
- Dual bank signatories for all payments above specified amounts and pre-determined authority limits.
- All expenses reclaimed by a director require authorisation by a different director.

The Company’s system of internal control is designed to safeguard the company’s assets and to ensure the reliability of information used within the business. The system of controls manages appropriately, rather than eliminates, the risk of failure to achieve business objectives and to provide reasonable, but not absolute, assurance against material misstatement or loss.

The independent auditor does not perform a comprehensive review of internal control procedures at the half year stage but reports to the audit committee on the outcomes of its annual audit process.

The board confirms that the effectiveness of the system of internal control, covering all material controls including financial, operational and compliance controls and risk management systems, has been reviewed during the year under review and up to the date of approval of the annual report.

Board Effectiveness

The board considers that it has shown its commitment to leading and controlling the Company by:

- Retaining specific responsibility for those matters specifically reserved for board decision.
- Delegating specific responsibilities to formally constituted audit, nomination and remuneration committees.
- Setting business priorities and expectations for performance by the executive directors and approving defined limits of authority.

The schedule of matters reserved for board decision and terms of reference of the board committees are published on the Company website.

Performance Evaluation

The board reviews performance against business plans and the strategic goals, implementing corrective action where necessary. The board recognises the desirability of the Chairman being a non-executive director.

The remuneration committee will keep under review remuneration principles and development of the board.

The board receives a formal summary of matters discussed and approved by the board's committees, so that all directors are aware of the decisions made. The board is also responsible for reviewing the work of each committee and considering its effectiveness. As part of this exercise, the board will review the terms of reference of the audit, nomination and remuneration committees.

The Senior Independent Director is responsible for the annual performance assessment of the Chairman with any performance-related remuneration being determined by the remuneration committee. The Chairman reviews the performance of the other executive director with any performance-related remuneration again being determined by the remuneration committee.

The board and nomination committee have approved the nomination of the director seeking election and those directors seeking re-election at the annual general meeting. Each of the directors has skills and experience which relate directly to the Company's strategic objectives. The board recommends shareholders vote in favour of all the resolutions relating to the election and re-election of directors.

Shareholder Communication

The Company remains committed to listening to and communicating openly with its shareholders to ensure that its strategy, business model and performance are clearly understood and that the board understands the needs and expectation of its shareholders. Understanding what our shareholders think about us is a key part of driving our business forward and we actively seek dialogue with the market. The Company communicates with shareholders through the annual report, full year and half year announcements, the AGM and one to one meetings with large existing or potential new shareholders. A range of corporate information (including all Company announcements and shareholder communications) is also available to shareholders, investors and the public on the Company's corporate website (www.yoloplc.com). The board receives regular updates on the views of shareholders through briefings and reports from the Company's broker.

The board typically holds meetings with institutional investors and other large shareholders following the release of interim and financial results and regards the annual general meeting (AGM) as a good opportunity to communicate directly with shareholders via an open question and answer session. All our directors routinely attend the AGM and are available to answer questions raised by shareholders. The AGM is the main forum for dialogue with our retail shareholders. An announcement is made after the AGM to announce the resolutions passed at the AGM. To date all AGM resolutions proposed have been passed. The Company has not experienced significant dissenting shareholder votes for resolutions proposed at the AGM (over 20% including proxy votes).

The Company regularly participates at investor shows around the country offering smaller and private investors similar insight into the Company and access to management.

The Company discloses contact details on its website and on all announcements released via RNS, should shareholders wish to communicate with the board. Communication with shareholders is co-ordinated by the Chairman.

The board is keen to promote greater liquidity in the Company's shares. The board seeks to build on a mutual understanding of objectives between the Company and its shareholders by:

- Communicating regularly throughout the year.
- Providing information to shareholders in a balanced and understandable way.
- Meeting shareholders to discuss long term issues and to obtain their views.
- Encouraging private investors, in particular, to attend the AGM, so that they have an opportunity to ask questions of the board and are equipped to make their own assessment of the Company's position and prospects.
- Regular meetings of the board being used as the forum to ensure that non-executive directors are updated on the views of major shareholders that have been communicated to the executive directors.

Meeting Stakeholder and Social Responsibilities

Engaging with our stakeholders strengthens our relationships and helps us make better business decisions to deliver on our commitments. The board is regularly updated on wider stakeholder engagement feedback to stay abreast of stakeholder insights into the issues that matter most to them and our business, and to enable the board to understand and consider these issues in decision-making.

YOLO is a small Company with no employees. Our most important stakeholder groups are our shareholders and the management teams of the companies that we invest in. The board also understands that it has a responsibility to take into account, where practicable, the social, environmental and economic impact of its investing policy and makes its investment decisions accordingly.

The board has the ultimate responsibility for the Company's corporate responsibility activities. The board is responsible for ensuring compliance with key internal and external policies including:

- anti-corruption and bribery policy;
- whistleblowing policy;
- UK Modern Slavery Act policy.

Risk Management

The Company has an established framework of internal financial controls, the effectiveness of which is regularly reviewed by the board in light of an ongoing assessment of significant risks facing the Company. The board analyses the risks associated with new and existing investments and actively manages investments in the light of such risks and broader market conditions.

The board is responsible for reviewing and approving overall Company strategy, approving financial budgets and for tax and dividend policy. Monthly results and variances from plans and forecasts are reviewed by the board.
The Company currently has three directors:

Simon Robinson (Executive Chairman);
Sohail Bhatti (Finance Director);
Sean Nicolson (independent non-executive director).

As a relatively small company, we currently only have one independent non-executive director. The board regularly considers the merit of appointing one or more additional independent non-executive directors. Any appointment of additional non-executive directors will affect the Company's resources and the availability of candidates with appropriate expertise that would complement the skills of the current directors.

Regular post-investment reviews are carried out to check the delivered return on investment.

The board has ultimate responsibility for the Company's system of internal control and for reviewing its effectiveness. However, any such system of internal control can only mitigate risk and provide reasonable, but not absolute, assurance against material misstatement or loss. The board considers that the internal controls in place are appropriate for the size, complexity and risk profile of the Company. The principal elements of the Company's internal control system include:

- close management of the day to day activities of the Company by the executive directors;
- detailed monthly reporting of performance against budget;
- the company secretary ensures legal risk is properly managed.

All contracts are reviewed and signed by a director. Material contracts are reviewed by external legal advisers.

Principal Risks and Uncertainties

The Company is subject to a number of risks and uncertainties. The board continually considers how to identify and mitigate the key business risks that could impact the Company's performance. The following risks are those that the board considers could have the most serious adverse effect on its performance and reputation.

Funding Risks

As an investing company, the Company needs to have access to capital to continue making investments and to ensure that expenses may be met. The board actively considers the management of its cash resources in a number of ways including:

- raising cash through share issues to fund particular investment opportunities and to provide a general investment fund;
- actively reviewing its investments to optimise the returns for shareholders with a view to generating positive cash returns for future investments;
- holding cash and liquid assets (such as holdings in other listed companies) for investment and working capital purposes; and
- considering raising debt to accelerate investment programmes and to smooth out cash flows.

Investment Performance

Generating profitable exits from investments is key to the Company's long-term performance and continued success. The board actively manages its investments; in particular, the Company works very closely with investee company management teams to support them in the achievement of their companies' commercial and financial objectives.

Competition Risks

The Company needs to access high quality investment opportunities, often in competition with other potential investors. The board utilises the experience and contacts of each director to ensure that there is a good flow of investment opportunities to consider. The Company also works closely with a number of advisers and investment intermediaries to source investment opportunities. By investing at an early stage, the Company aims to identify high return opportunities and to have first refusal for any additional capital that its investee companies might require.

Attraction and Retention of Directors

As a small investing company, the Company depends upon the continued service and performance of the executive directors. Whilst it has entered into contractual arrangements with the executive directors with the aim of securing the services of each of them, retention of these services cannot be guaranteed. The loss of the services of any of the executive directors could damage the Company's business. Equally, the ability to attract new directors and employees with the appropriate expertise and skills cannot be guaranteed. The board seeks to mitigate this risk by providing share options or warrants to its directors.

General Economic Conditions

Market conditions, particularly those affecting investee companies, may affect the ultimate value of the Company's share price regardless of operating performance. General economic conditions may affect exchange rates, interest rates, inflation rates and the ability to access capital. Risk is principally mitigated by seeking to diversify the investment portfolio.

Board Decisions and Activity

The board sets the Company's strategic aims and ensures that the necessary resources are in place in order for the Company to meet its objectives. All members of the board take collective responsibility for the performance of the Company and all decisions are taken in the interests of the Company.

The board is responsible for ensuring that a sound system of internal control exists to safeguard shareholders' interests and the Company's assets and to ensure that the board is provided with accurate information in a timely manner, so they can make informed decisions. It is responsible for the regular review of the effectiveness of the systems of internal control. Internal controls are designed to manage rather than eliminate risk and therefore even the most effective system cannot provide assurance that each and every risk, present and future, has been addressed. Given the size of the Company, there is currently no internal audit function, although this is kept under annual review.

Whilst the board has delegated the normal operational management of the Company to the executive directors, there are certain matters that are specifically reserved to the board for decision. These include the approval of the making of investments and disposals. The non-executive director has a particular responsibility to challenge constructively the strategy proposed by the executive directors, to scrutinise and challenge performance and to ensure that succession planning arrangements are in place in relation to executive directors.

The board regularly considers the merit of appointing one or more additional independent non-executive directors. Any appointment of non-executive directors will affect the Company's resources and the availability of candidates with appropriate expertise that would complement the skills of the current directors.

All directors are encouraged to use their independent judgement and to challenge all matters, whether strategic or operational.

Key board activities this year included:

- continued open dialogue with our principal shareholders;
- agreeing strategic priorities; and
- reviewing the Company's capital structure, financial strategy and shareholder returns.

Directors' conflicts of interest

The Company has effective procedures in place to monitor and deal with conflicts of interest. The board is aware of the other commitments and interests of its directors, and changes to these commitments and interests are reported to and, where appropriate, formally agreed with the board.

Independence of the Independent Auditors

Both the audit committee and the independent auditors have in place safeguards to avoid the auditors' objectivity and independence being compromised. The Company's policy with regard to services provided by the independent auditors is as follows:

- Statutory audit services

  The independent auditors, who are appointed annually by the shareholders, undertake this work. The audit committee reviews the auditors' performance on an ongoing basis.

- Non-audit services

  The independent auditors are not permitted to provide internal audit, risk management, litigation support, remuneration advice and information technology services. The provision of other non-audit services, including taxation services, is assessed on a case by case basis, depending on which professional services firm is best suited to perform the work. These safeguards, which are monitored by the audit committee, are regularly reviewed and updated to ensure they remain appropriate. The appointment of the auditors to provide non-audit services requires board approval for any assignment with fees above a set financial limit. The auditor's report to the audit committee on the actions they take to comply with the professional and regulatory requirements and best practice designed to ensure their independence, including the rotation of key members of the audit team. haysmacintyre has formally confirmed this to the board. The disclosure of non-audit fees paid to haysmacintyre during the year is included in note 4 to the financial statements.

Going concern

The directors have prepared a cash flow forecast. Having considered all known costs, the board is of the opinion that there are sufficient funds available to continue as a going concern for the foreseeable future. The board is also planning to raise additional funds in due course to continue to carry out its investment strategy as opportunities arise.

Simon Robinson
Chairman
19 March 2019

AUDIT COMMITTEE REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2018

While operating as a committee of the board, the Company's audit committee is by no means remote from the key issues facing the business. The committee has considered not only the adequacy of financial reporting and the applicability of accounting standards to the business, but also how the challenges faced by the Company may flow through into internal control, accounting policy and financial reporting to shareholders.

The committee is responsible for reviewing approaches to risk management and looking at internal controls on behalf of the board. The full board has been engaged in looking at the critical success factors for the Company. The risk management process is discussed on page 17.

The establishment of the audit committee has presented an opportunity to consider afresh the Company's policies, practices and controls which has been a useful exercise.

Membership and Meetings of the Audit Committee

The audit committee is chaired by Sean Nicolson. Simon Robinson is the other member of the committee. The committee chairman is independent. At the invitation of the committee, the Finance Director and representatives of the external auditor usually attend committee meetings. Time is allowed at the end of each meeting for discussion without any members of the executive team being present, to allow the external auditor to raise any issues of concern.

The audit committee was established in September 2018. No meetings of the committee took place during the financial year, but the committee did meet to approve these report and accounts.

Terms of Reference

The committee's terms of reference confirm the main responsibilities of the committee.

The committee is responsible for monitoring the integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance. The committee reviews the accounting standards, policies and judgements behind and the clarity and fairness of, the interim and year end results statements.

The committee reviews internal controls and risk management procedures in the context of any issues which arise during the external audit process, or if concerns are raised by a member of the board or by an employee under the "whistle blowing" procedures. The strength of internal controls was reviewed by the committee and considered by the full board.

The committee has primary responsibility for the relationship between the Company and its external auditor. Representatives from the external auditor are invited to attend committee meetings and the chairman of the committee meets less formally with the audit director, as needed. The independence of the auditor is kept under review and is reported on annually, as part of the key issues memorandum presented to the committee by the auditor.

The committee reviews the fee proposals presented by the auditor and the scope of work is monitored carefully to ensure that independence is not compromised. In the year to 30 September 2018, audit fees for the Company totalled £12,500 (2017: £11,850), compared with non-audit fees (including advice on tax) of £3,100 (2017: £2,975). The committee is satisfied with the independence, objectivity and efficiency of the external auditor and the committee has not felt it necessary at this stage to propose re-tendering of the audit contract. A resolution for the re-appointment of haysmacintyre as the statutory auditor will therefore be proposed at this year's annual general meeting.

No other formal recommendations have been made to the board by the committee and no external reports have been commissioned on financial control processes during 2017/18.

This report was approved by the audit committee and the board on 19 March 2019.

Sean Nicolson
Chairman of the audit committee

YOLO LEISURE AND TECHNOLOGY PLC

DIRECTORS' REMUNERATION REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2018

Introduction

On behalf of your board, I am pleased to present our remuneration report for the year ended 30 September 2018.

As an AIM-listed company, YOLO is not obliged to provide a full directors' remuneration report meeting the requirements of with the UK Corporate Governance Code. We do, however, apply the standards of the QCA Code. The report provides remuneration details for all directors and explains any bonuses paid in the year. It gives a general statement of policy on directors' remuneration as it is currently applied.

The committee is responsible for reviewing and recommending the framework and policy for remuneration of the executive directors. The committee's terms of reference are available on the Company's website. The committee recognises the importance of our reward and performance strategy in recruiting and retaining high quality individuals who can lead, develop and sustain business growth over the longer term.

The information in the directors' remuneration report set out on pages 24 to25 is subject to audit and has been audited by the Company's auditors.

Membership and Meetings of the Committee

The chairman and sole member of the remuneration committee is currently Sean Nicolson.

Other directors may attend by invitation of the committee. It is a fundamental principle that no individual should be able to contribute to discussions about their own remuneration. All committee meetings are minuted and copies of the minutes are provided to the full board.

The committee operates within terms of reference set by the board (which may be accessed on the Company's website). The terms of reference were reviewed and approved by the board in September 2018.

The committee is responsible for recommending any changes in the structure of remuneration packages for the executive directors. It also plays an important role when an executive director joins and leaves the Company. It recommends to the board the terms of employment for any appointment and any subsequent changes which may be needed and reviews any payments which might arise on termination of an executive director's contract.

The committee did not meet during the financial year.

Conclusion

The directors' remuneration policy and statement of remuneration for 2017/18 which follows this annual statement sets out the committee's approach to remuneration for the future and provides details of remuneration for the year ended 30 September 2018. This report is intended to provide shareholders with sufficient information to judge the impact of the decisions taken by the committee, to assess whether remuneration packages for directors are fair in the context of business performance.

The committee will continue to be mindful of shareholder views and interests and we believe that our directors' remuneration policy continues to be aligned with the achievement of the Company's business objectives. As always, the annual general meeting provides an opportunity for face to face discussions on important matters for the Company and its shareholders.

Sean Nicolson
Chairman of the Remuneration Committee
19 March 2019

Remuneration Policy and Statement of Remuneration for 2017/18

The policy of the committee is to ensure that the executive directors are fairly rewarded for their individual contributions to the Company's overall performance and to provide a competitive remuneration package to executive directors (including long-term incentives) to attract, retain and motivate individuals of the calibre required to ensure that the Company is managed successfully in the interests of shareholders. In addition, the committee's policy is to reward performance in a way which seeks to align the interests of management with those of shareholders.

Future Policy

The main elements of the remuneration package of executive directors are set out below.

The remuneration packages of executive directors comprise the following elements.

Basic Salary and Benefits

The executive directors' basic salaries are reviewed annually having regard to individual performance, market practice and the financial position of the Company. The salaries paid to executive directors are currently towards the low end of the market rate for their respective roles.

Executive directors are eligible for pension contributions (or payments in lieu of pension contributions) at the rate of 3% of salary. Such payments are not made in respect of any bonuses.

Executive directors are also eligible for health insurance for themselves, partners and children.

Annual Bonuses

The Company pays bonuses reflecting the contributions made by the executive directors and the Company's performance.

Share Options and Warrants

The Company believes that share ownership by directors and employees strengthens the link between their personal interests and those of the Company and the shareholders.

The board believes it to be an essential part of attracting high calibre individuals to the board of directors, while preserving cash, in the interests of all shareholders, that directors are offered warrants or options in the Company in amounts and at exercise prices that align directors with the interests of the wider shareholder base.

All directors currently hold shares in the Company.

Service Contracts

The executive directors have entered into comprehensive director service contracts which are terminable by either party giving 12 months' notice. All executive directors are subject to pre and post termination restrictive covenants with the Company including those relating to non-solicitation of customers and staff. No compensation is payable for loss of office and all appointments may be terminated immediately if, among other things, a director is found to be in material breach of the terms of the appointment.

The non-executive director has entered into an engagement letter which is terminable by either party on 6 months' notice. Non-executive directors are not entitled to a bonus and they are not eligible for pension arrangements. Additional fees may be paid to non-executive directors in respect of additional services provided to the Company.

Copies of directors' service contracts and letters of appointment are available for inspection at the Company's registered office.

Approach to Recruitment Remuneration

The committee's approach to recruitment remuneration is to offer a market competitive remuneration package sufficient to attract high calibre candidates who are appropriate to the role but without paying any more than is necessary.

Any new executive director's regular remuneration package would include the same elements and be in line with the policy statement set out above.

Reasonable relocation and other similar expenses may be paid if appropriate.

Directors' Insurance and Indemnity

Directors' and officers' liability insurance is provided at the cost of the Company for all directors and officers. The articles of association provide for the Company to indemnify directors against losses and liabilities properly incurred in the execution of their duties.

Details of Directors' remuneration

This report should be read in conjunction with note 8 to the financial statements, which also forms part of this report.

Directors' emoluments

The remuneration of the Directors for the years ended 30 September 2018 and 30 September 2017 is shown below.

	2017/18				2016/17			
	Base salary £000	**Contributions to money purchase schemes £000**	**Benefits in kind £000**	**Total remuneration £000**	Base salary £000	Contributions to money purchase schemes £000	Benefits in kind £000	Total remuneration £000
Simon Robinson	**50**	**-**	**-**	**50**	50	-	-	50
Sohail Bhatti	**50**	**-**	**6**	**56**	50	-	6	56
Sean Nicolson	**-**	**-**	**-**	**-**	-	-	-	-
	100	**-**	**6**	**106**	-	-	6	106

Options and warrants granted to and held by directors who served during the year are summarised below. Full details of the options and warrants outstanding are set out in note 12 to the accounts.

	2018				
	No. options and warrants held at beginning of the year	No. options and warrants granted during the year	No. options and warrants exercised during the year	No. options and warrants lapsed during the year	No. options and warrants Options held at end of the year
Simon Robinson	980,000	—	—	—	980,000
Sohail Bhatti	—	—	—	—	—
Sean Nicolson	—	—	—	—	—
	980,000	—	—	—	980,000

	2017				
	No. options and warrants held at beginning of the year	No. options and warrants granted during the year	No. options and warrants exercised during the year	No. options and warrants lapsed during the year	No. options and warrants Options held at end of the year
Simon Robinson	486,154	980,000	—	486,154	980,000
Sohail Bhatti	166,666	—	—	166,666	—
Sean Nicolson	—	—	—	—	—
	652,820	980,000	—	652,820	980,000

Statement of Directors' Shareholding

The directors who held office at 30 September 2018 and their connected persons had interests in the issued share capital of the Company as at 30 September 2018 as follows:

	Number of shares held (including by connected persons)	
	2018	2017
Simon Robinson	1,389,201	1,126,043
Sohail Bhatti	66,666	66,666
Sean Nicolson	155,769	155,769

There were no changes in the share interests of directors between 1 October 2018 and 19 March 2019, being the date of signature of the directors' remuneration report.

The committee intends to make grants of options and warrants in 2018/19.

Approval

The directors' remuneration report, and this statement of the Company's remuneration policy and remuneration for 2017/18 were approved by the remuneration committee and by the board on 19 March 2019.

Sean Nicolson
Chairman of the Remuneration Committee
19 March 2019

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 30 SEPTEMBER 2018

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. The directors are required by the AIM rules of the London Stock Exchange to prepare group financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") and to prepare the Company financial statements in accordance with IFRS as adopted by the EU.

The financial statements are required by law and IFRS adopted by the EU to present fairly the financial position of the Company. The Companies Act 2006 provides in relation to such financial statements that references in the relevant part of the Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss for that period.

In preparing the 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 they have been prepared in accordance with IFRSs adopted by the EU;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Yolo Leisure and Technology plc website.

Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ in other jurisdictions.

INDEPENDENT AUDITORS'REPORT

TO THE MEMBERS OF YOLO LEISURE AND TECHNOLOGY PLC

Opinion

We have audited the financial statements of Yolo Leisure and Technology plc for the year ended 30 September 2018 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cashflow and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 2018 and of the Company's loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Key audit matters

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

Our assessment of risks of material misstatement

Risk Area: Going concern

The Company is dependent on generating cash inflows from management fees, alternative sources of finance and the realisation of investments in order to meet ongoing overheads and other expenditure, including new investments. Should the Company be unable to generate such cash inflows to meet obligations, that cannot be met from existing cash resources, there is an increased risk that the Company may cease to be a going concern.

Our Response: Going concern

We reviewed the cash flow projections prepared by the directors, for which they are solely responsible, for the period ended 30 June 2020 and considered the reasonableness of the cash income and expenditure projected by the directors over that period. We also considered and discussed with the directors the discretion that they have over the nature and level of expenditure to be incurred in the event that actual events materially deviate from their expectations during the period ended 30 June 2020. We also considered the income levels forecast by the directors as well as the likely alternative sources of finance should the directors need to raise additional funding.

Risk Area: Valuation of investments
The Company holds unlisted shares and securities for which there are no quoted market prices and which require valuation techniques to be used which are not based on observable market data. Accordingly, such valuations are subject to judgement by the directors.

Our Response: Valuation of investments
We reviewed the basis of the valuations prepared by the directors and considered the reasonableness of the judgements made by them. We discussed with and challenged the directors on the bases adopted when valuing the unlisted shares and securities. We also considered the reasonableness of the valuation approaches adopted.

Our application of materiality
The scope and focus of our audit were influenced by our assessment and application of materiality. We define materiality as the magnitude of misstatement that could reasonably be expected to influence the readers and the economic decisions of the users of the financial statements. We use materiality to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole.

Due to the nature of the Company we considered the value of the investments to be the main focus for the readers of the financial statements, accordingly this consideration influenced our judgement of materiality. Based on our professional judgement, we determined materiality for the Company to be £80,000 based on approximately 2% of gross assets of the draft financial statements.

On the basis of our risk assessments, together with our assessment of the overall control environment, our judgement was that performance materiality (i.e. our tolerance for misstatement in an individual account or balance) for the Company was 75% of materiality namely £60,000.

We agreed to report to the Audit Committee all audit differences in excess of £4,000, as well as differences below that threshold that, in our view warranted reporting on qualitative grounds. We also reported to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

An overview of the scope of our audit
A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk.

Yolo Leisure and Technology plc is a standalone entity based in London and the scope of the audit and audit strategy was tailored by obtaining an understanding of the Company, its activities and its control environment. In order to maintain our knowledge of the Company and the risks it faces, the senior statutory auditor and the audit engagement team met members of the Company's finance and Executive Committee teams. This dialogue continued throughout the audit process, as we reassessed and re-evaluated audit risks where necessary and tailored our approach accordingly. Our planned audit testing was directed accordingly and was focussed on areas where we assessed there to be the highest risks of material misstatement.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:
• the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
• the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act2006 requires us to report to you if, in our opinion:

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

• the financial statements are not in agreement with the accounting records and returns; or

• certain disclosures of directors' remuneration specified by law are not made; or

• we have not received all the information and explanations we require for our audit.

Responsibilities of directors
As explained more fully in the directors' responsibilities statement set out on page 27**,** the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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.

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

Ian Cliffe
Senior Statutory Auditor
for and on behalf of haysmacintyre
Statutory Auditor

10 Queen Street Place
London
EC4R 1AG

19 March 2019

YOLO LEISURE AND TECHNOLOGY PLC

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 SEPTEMBER 2018

	Notes	2018 £	2017 £
Other income	2	20,250	36,596
Administrative expenses		(284,028)	(272,662)
Realised gain on disposal		-	270,559
Unrealised (losses) / gains on remeasurement to fair value	9	(841,489)	657,935
OPERATING (LOSS) / PROFIT BEFORE FINANCING ACTIVITIES		(1,105,267)	692,428
Finance income	3	53	33,725
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAX	4	(1,105,214)	726,153
Tax charge	7	-	-
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAX		(1,105,214)	726,153
(LOSS)/PROFIT FOR THE YEAR ATTRIBUTABLE TO EQUITY SHAREHOLDERS		(1,105,214)	726,153
TOTAL COMPREHENSIVE (EXPENSES)/INCOME ATTRIBUTABLE TO:			
Equity holders of the Company		(1,105,214)	726,153
(Loss)/Profit per share (pence per share)			
Basic	8	(2.50)p	1.75p
Diluted		(2.50)p	1.75p

YOLO LEISURE AND TECHNOLOGY PLC

Company Registration Number: 04488281

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 SEPTEMBER 2018

	Notes	2018 £	2017 £
ASSETS			
Non-current assets			
Investments	9	3,083,995	3,875,483
		3,083,995	3,875,483
Current assets			
Trade and other receivables	10	86,986	62,980
Cash and cash equivalents		270,524	619,939
		357,510	682,919
TOTAL ASSETS		3,441,504	4,558,402
EQUITY AND LIABILITIES			
Current liabilities			
Trade and other payables	11	32,693	44,377
Total liabilities		32,693	44,377
Equity			
Share capital	12	5,206,954	5,206,954
Share premium account		7,574,273	7,574,273
Retained earnings		(9,372,416)	(8,267,202)
Total equity attributable to equity shareholders of the parent		3,408,811	4,514,025
TOTAL EQUITY AND LIABILITIES		3,441,504	4,558,402

The financial statements were approved and authorised for issue by the board of directors on 19 March 2019 and were signed below on its behalf by

Simon Robinson
Chairman

YOLO LEISURE AND TECHNOLOGY PLC

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2018

	Share capital £	Share Premium Account £	Retained Earnings £	Total £
At 1 October 2016	2,582,954	7,617,273	(8,993,355)	1,206,872
Total comprehensive income for the year			726,153	726,153
Transactions with owners				
Shares issued	2,624,000			2,624,000
Cost of new issue		(43,000)		(43,000)
At 1 October 2017	5,206,954	7,574,273	(8,267,202)	4,514,025
Total comprehensive expense for the year			(1,105,214)	(1,105,215)
At 30 September 2018	5,206,954	7,574,273	(9,372,416)	3,408,811

Share capital

Represents the par value of shares in issue.

Share premium

Represents amounts subscribed for share capital in excess of its nominal value, net of directly attributable issue costs.

Retained earnings

Represents accumulated losses to date.

YOLO LEISURE AND TECHNOLOGY PLC

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

	2018 £	2017 £
Operating activities		
(Loss) / Profit for the year	(1,105,214)	726,153
Adjustments for:		
(Increase) in trade and other receivables	(24,006)	(45,766)
(Increase) in trade and other payables	(11,684)	(32,639)
Net finance cost / (income)	53	33,725
Unrealised losses / (gains) on remeasurement to fair value	841,489	(657,935)
Realised (gains) on disposal of investments	-	(270,559)
Net cash used in activities	(299,362)	(247,021)
Investing activities		
Payments to acquire investments	(50,000)	(2,265,087)
Receipts from disposal of investments	-	445,360
Net finance income	(53)	(33,725)
Net cash used in investing activities	(50,053)	(1,853,452)
Financing activities		
Net proceeds from issue of shares	-	2,581,000
Net cash generated from financing activities	-	2,581,000
Net (decrease)/increase in cash and cash equivalents	(349,415)	480,527
Cash and cash equivalents at the start of the year	619,939	139,412
Cash and cash equivalents at the end of the year	270,524	619,939
Cash and cash equivalents consist of:		
Cash and cash equivalents	270,524	619,939

1. ACCOUNTING POLICIES

1.1 Basis of preparation

The financial statements have been prepared in accordance with EU endorsed International Accounting Standards and International Financial Reporting Standards (collectively "IFRS") and the requirements of the Companies Act 2006 applicable to companies reporting under IFRS.

The financial statements are presented in sterling and have been prepared on the historical cost basis, except where IFRS requires an alternative treatment. The principal variations from historical cost relate to financial instruments (IAS 39).

The Company is a public listed company, quoted on AIM and is incorporated and domiciled in the UK.

Adoption of international accounting standards

Standards adopted early by the Company

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for later accounting periods and which have not been adopted early. There were no new standards, amendments or interpretations that are expected to have a material impact on the Company.

1.2 Going Concern

The Company had net assets of £3,408,811 as at 30 September 2018 (2017 net assets £4,514,025) and generated a loss before tax of £1,105,214 (2017 profit before tax: £726,153) in the reporting period.

Having considered all known costs, the board is of the opinion that there are sufficient funds available to continue as a going concern for the foreseeable future. The board is also planning to raise additional funds to continue to carry out its investment strategy as opportunities arise.

In light of this and after taking into account all information that could reasonably be expected to be available, the directors are confident that the Company will remain in operational existence for the foreseeable future and that the going concern basis of preparation is appropriate to the Company's financial statements.

1.3 Revenue

Revenue is recognised when revenue and associated costs can be measured reliably and future economic benefits are probable. Revenue is measured at fair value of consideration received or receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

1.4 Interest income

Interest income is accrued on a time apportioned basis, by reference to the principal outstanding and at the effective interest rate applicable.

1.5 Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from accounting profit as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and further excludes items that are never taxable or deductible. The Company's liability to current tax is measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised.

1. ACCOUNTING POLICIES (continued)

1.5 Taxation (continued)

Such assets and liabilities are not recognised if the temporary difference arises from goodwill or if the initial liabilities in a transaction that affect either the taxable profit or the accounting profit.

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

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

1.6 Financial instruments

Financial assets and financial liabilities are recognised on the balance sheet when the Company has become a party to the contractual provisions of the instrument.

Investments

Equity investments are initially recognised at cost, being the consideration paid. All investments are classified at fair value through profit or loss and measured at fair value with changes in their fair value recognised in the Statement of Comprehensive Income in the year in which they arise. In respect of unquoted investments (Level 3) fair value is determined by reference to a variety of valuation techniques. In respect of quoted or listed investments (Level 1) the value is based on the closing mid-market price recorded by the relevant market.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short term deposits with maturities of three months or less. Bank overdrafts also form part of net cash and cash equivalents for the purposes of the cash flow statement.

Trade and other receivables

Trade and other non-interest bearing receivables are initially recognised at cost and are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective and probable evidence that it is uncertain if the amount due can be collected. Movement in the provision charged or credited in the period is recognised in the income statement.

The Company discounts some of its trade receivables. The accounting policy is to continue to recognise the trade receivables within current assets and to record cash advances as borrowings within current liabilities.

Trade and other payables

Trade and other payables are not interest bearing and are initially recognised at cost and are subsequently measured at amortised cost using the effective interest method.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

1. ACCOUNTING POLICIES (continued)

1.7 Share based payments

The Company issues equity-settled and cash-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted. The fair value determined at the grant date of equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of the number of instruments that will eventually vest with a corresponding adjustment to equity. Fair value is measured by use of a Black Scholes model. The expected life use in the model has been adjusted based on management's best estimates, for the effect of non-transferability, exercise restrictions, and behavioral considerations.

Non-vesting and market vesting conditions are taken into account when estimating the fair value of the option at grant date. Service and non-market vesting conditions are taken into account by adjusting the number of options expected to vest at each reporting date.

1.8 Standards in issue but not yet effective

New standards and interpretations currently in issue but not effective, based on EU mandatory effective dates, for accounting periods commencing on or after 1st October 2018 are:

- IFRS 9 Financial Instruments (EU effective date 1st January 2018)
- IFRS 15 Revenues from Contracts with Customers (EU effective date 1st January 2018)
- IFRS 16 Leases (EU effective date 1st January 2019)
- Amendments to IAS 7 Statement of Cashflows (effective for accounting periods beginning on or after 1st January 2018)
- Amendments to IAS 16 Property, Plant and Equipment (effective for accounting periods beginning on or after 1st January 2018)
- Amendments to IAS 34 Interim Financial Reporting (effective for accounting periods on or after 1st January 2018)
- Amendments to IAS 38 Intangible Assets (effective for accounting periods beginning on or after 1st January 2018)

The Company is in the process of assessing the impact of these new standards and interpretations on its financial reporting but has as yet not adopted any before the effective date

1.9 Critical accounting judgements and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience, internal controls, advice from external experts and other factors, including expectations of future events that are believed to be reasonable under circumstances. . The following estimates are considered integral to the Company:

Investment valuation

The Company has a number of level 3 investments whereby their valuation is determined in whole or in part using valuation techniques based on assumptions that are not supported by prices from observable market transactions in the same instrument and not based on available observable data.

Management regularly review the valuation of the investments against both the ongoing results of the businesses and the price at which any further investment into the business has taken place.

2. OTHER INCOME

	2018 £	2017 £
Management fees	20,250	36,596

3. FINANCE INCOME

	2018 £	2017 £
Bank and other interest (paid) / received	53	(189)
Other interest receivable		33,914
	53	33,725

4. (LOSS) / PROFITFOR THE YEAR BEFORE TAX

	2018 £	2017 £
(Loss) / Profit for the year is stated after charging:		
Auditors' remuneration		
- audit services	12,500	11,850
- non-audit services	3,100	2,975

5. DIRECTORS' EMOLUMENTS

	2018 £	2017 £
Aggregate emoluments including benefits in kind, by director, are as follows:-		
Simon Robinson	50,000	50,000
Sohail Bhatti	56,431	55,681
Sean Nicolson	-	-
Aggregate emoluments	106,431	105,681

No director benefitted from any increase in the value of warrants during the year. No director exercised share warrants in the year.

The number of directors for whom retirement benefits are accruing under defined contribution schemes was Nil (2017: Nil). The total contributions payable during the year amounted to £ Nil (2017: £ Nil).

No warrants were awarded to directors for services during the year. Warrants held at the end of the year are detailed below

	2017 Number	2017 Number
Simon Robinson - exercise price 13p, expires 31October 2019	980,000	980,000
Sohail Bhatti	-	-
Sean Nicolson	-	-
	980,000	980,000

6. STAFF COSTS

	2018 Number	2017 Number
The average monthly number of employees (including directors) during the year was		
Administration	2	2

	2018 £	2017 £
Employment costs		
Wages and salaries	100,000	100,000
Social security costs	9,300	8,863
	109,300	108,863

7. TAXATION

	2018 £	2017 £
7(a) Current year tax		
UK corporation tax (note 7(b))	-	-
7(b) Factors affecting the tax charge for the year		
Profit/(loss) on ordinary activities before taxation	(1,105,214)	726,153
Profit/(loss) on ordinary activities before taxation multiplied by the main rate of UK corporation tax 19% (2017: 20%)	(209,990)	141,590
Effects of:		
Non deductible expenses	159,883	(128,263)
Non taxable income		(52,755)
Chargeable gain		25,055
Deferred tax not recognised	50,107	14,373
Carried forward management expenses	-	
Current tax charge	-	-

8. (LOSS) / PROFIT PER SHARE

The calculations of loss per share are based on the following losses and number of shares.

	2018 Basic	2018 Diluted	2017 Basic	2017 Diluted
(Loss) / Profit for the financial year	(1,105,214)	(1,105,214)	726,153	726,153
Weighted average number of shares for basic and diluted loss per share	44,132,276	44,132,276	41,4,72,331	41,472,3,31

9. INVESTMENTS

	Level 1 £	Level 3 £	Total £
Held at fair value			
At 1 October 2017	264,855	3,610,628	3,875,483
Additions during the year		50,000	50,000
Revaluation	(104,810)	(736,678)	(841,488)
At 30 September 2018	160,045	2,923,950	3,083,995
Net book value			
At 30 September 2018	160,045	2,923,950	3,083,995
At 30 September 2017	264,855	3,610,628	3,875,483

Investments are measured at fair value. The directors consider that the carrying amount of investments approximates to their fair value.

Level 1 reflects financial instruments quoted in an active market.

All unquoted investments are Level 3 in the fair value hierarchy, being financial instruments whose fair value is determined in whole or in part using valuation techniques based on assumptions that are not supported by prices from observable market transactions in the same instrument and not based on available observable market data.

The Company acquired the following investments during the year:

On 2 January 2018 the Company made an investment of £50,000 in TVPlayer convertible loan note ("Note"). The Note carries an interest rate of 8% and is convertible on listing, sale or anytime after 31 December 2018.

10. TRADE AND OTHER RECEIVABLES

	2018 £	2017 £
Trade receivables	36,000	20,100
Prepayments and accrued income	13,660	5,990
Other receivables	37,326	36,890
	86,986	62,980

The directors consider the carrying value of trade receivables to equal their fair value. No interest is charged on receivables.

11. TRADE AND OTHER PAYABLES

	2018 £	2017 £
Other taxes and social security costs	10,157	7,857
Accruals and deferred income	22,536	36,520
	32,693	44,377

The directors consider the carrying value of trade payables to equal their fair value.

12. SHARE CAPITAL

	2018 £	2017 £
Issued and fully paid		
As at 1 October 2017	5,206,954	2,582,954
Issue of Nil (2017: 262,400,000) Ordinary shares of 1p each	-	2,624,000
At 30 September 2018	5,206,954	5,206,954
The Company has the following classes of share capital		
Ordinary shares 44,132,276 (2017: 441,322,758 of 1p) shares of 0.01p each	4,413	4,413,228
A deferred shares (44,132,276 shares of 9.99p each)	4,408,815	-
Deferred shares (8,819,181 shares of 9p each)	793,726	793,726
	5,206,954	5,206,954

Share transaction history

During the 2018 financial year the following share transactions took place.

On 28 March 2018 the Company:

1. Consolidated its 441,322,758 ordinary shares of 1p into 44,132,276 ordinary shares of 10p
2. Ordinary shares were then sub-divided and re-designated 44,132,276 ordinary shares of 0.01p each and 44,132,276 A deferred shares of 9.99p.

The ordinary shares have full voting rights, priority dividend rights and priority in the case of winding up.

The deferred shares of 9p each have no voting rights and shareholders are not entitled to any dividend, and only receive the nominal amount paid up on their share after there has been a distributed £1,000,000 to the holders of the ordinary shares. The deferred shares shall not entitle the holders thereof to any further or other right of participation in the assets of the Company.

The A deferred shares have no voting rights and shareholders are not entitled to any dividend, Holders of A deferred shares shall be entitled to the amount paid up or credited as paid up on the A deferred shares to be paid out of the assets of the Company available for distribution among the members, after payment, to the holders of deferred Shares of the amounts paid up thereon. The holders of the A deferred shares shall not be entitled to any other or further right to participate in the assets of the Company.

Warrants

During the year no warrants were granted.

	Warrant Number	Exercise price pence	Expiry Date
As at 1 October 2017			
	305,985	13p	15/07/2019
	800,000	18p	27/01/2018
	5,980,000	13p	31/10/2019
	7,085,985		
Lapsed	(800,000)	18p	27/01/2018
	6,285,985		
As at 30 September 2018	305,985	13p	15/07/2019
	5,980,000	13p	31/10/2019
	6,285,985		

13. FINANCIAL INSTRUMENTS

The Company's financial instruments comprise cash and various items such as trade receivables and trade payables that arise directly from its operations.

Categories of fair values of financial assets and liabilities

Set up below is a comparison by category of the carrying amounts and fair values of the Company's financial instruments:

	2018 £	2017 £
Financial assets		
Cash and cash equivalents	270,524	619,939
Trade receivables	36,000	20,100
Other receivables	37,326	36,890
Total financial assets	343,850	676,929
Non-financial assets		
Prepayments and accrued income	13,660	5,991
Other receivables		
TOTAL ASSETS	357,510	682,920
Financial liabilities		
Financial liabilities measured at amortised cost:		
Accruals	22,536	29,614
	22,536	29,614
Non-financial liabilities		
Other payables	10,157	14,765
TOTAL LIABILITIES	32,693	44,379

The fair value of the Company's financial assets and liabilities are considered by the directors not to be materially different from their carrying values in the statement of financial position, as such no fair value hierarchy analysis has been produced.

It is and has been throughout the period under review, the Company's policy that no trading in financial derivatives shall be undertaken.

The main risks arising from the Company's financial instruments are interest rate movements, liquidity risk, and credit risk. The directors do not consider there to be significant exposure to market or price risk.

Interest rate risk

It is the Company's policy to regularly review the Company's exposure to interest rate risk.

13. FINANCIAL INSTRUMENTS (continued)

Financial assets

The Company's exposure to interest rate risk currently applies only to the interest received on cash deposits which is based on the NatWest base rate. The Company's floating rate cash balances at the yearend were £115,465 (2017: £115,412).

Liquidity risk

The principal risk to which the Company is exposed is liquidity risk. The nature of the Company's activities means it finances its operations through retained earnings and the issue of new shares to investors. The principal cash requirements are in relation to the Company’s investing policy and meeting working capital requirements. The Company seeks to manage liquidity through planning, forecasting, and careful cash management.

Credit risk

The Company carries out credit checks on potential customers and monitors and chases debts that are overdue to mitigate their credit risk.

Capital management

The Company's main objective when managing capital is to protect returns to shareholders by ensuring the Company will continue to invest and trade profitably in the foreseeable future. The Company also aims to maximise its capital structure of equity so as to minimise its cost of capital. The Company expects its current and projected capital resources to be sufficient to cover its existing liabilities.

The Company has not made any changes to its capital management during the year.

14. ULTIMATE CONTROLLING PARTY

The Company is admitted to AIM and there is no individual controlling party. The Directors’ Report provides details of those shareholders with an individual holding exceeding 3% of issued share capital.

15. RELATED PARTY DISCLOSURES

Apart from directors' remuneration shown in Note 5 there were no other transactions falling within the scope of IAS 24 Related Party Disclosures.

16. Post Balance Sheet Events

On 5 February 2019, YOLO successfully raised £300,000 before costs via a placing ("Placing") of 8,000,000 new ordinary shares of 0.01p each with new and existing investors at an issue price of 3.75p per share ("Placing Shares"). Under the Placing each Placee received one warrant for every four Placing Shares subscribed for as part of the Placing. The warrants are exercisable at 5.00p per share at any time for a period of three years from the date of Admission of the Placing Shares.

On the same date, the Company invested £100,000 in Sparkledun Ltd ("Sparkledun") in equity to acquire 3.41% of its issued share capital. Sparkledun through its trading subsidiary, Fast to Fibre Limited ("Fast to Fibre"), has rights to exploit and has further developed a technology solution utilising a unique patented process for the extraction of the inner core of telecoms and power cables, allowing the insertion of fibre optic without the need for excavation or other disruptive techniques.

The Fast to Fibre commercial proposition is to reduce the cost of fibre optic deployment particularly in difficult to access areas such as urban and city centres, thereby increasing the pace of adoption in line with government targets around the world to provide ultra-fast internet access.

Fast to Fibre has successfully completed several trials in a variety of different geographical locations and complex situations and is progressing a number of major commercial opportunities.