

The Boxing Advantage Company Limited

Seed Mentors Ltd / Amersham Investment Management Limited

Summary

The company's strategy is to contract boxers with good potential to make progress towards titles, fund their expenses and training in return for receiving their sponsorship rights.

	Positives	Issues
Why Invest	Strategy: A genuinely unique proposition, giving exposure to the commercial revenues for 6-18 boxers.	Past performance: The returns will be contingent on the ability of the signed boxers to win championships at the highest levels.
The Management	Team: The McGuigan family bring a wealth of experience and knowledge of the boxing world, with Seed Mentors bringing professional oversight and support.	Track record: While the McGuigans have validated the business model, they have done so on a smaller scale than is planned for the company.

Nuts & Bolts

- ▶ **Offer period:** The intended closing date will be 30 March 2018, or at manager discretion.
- ▶ **Diversification:** There will be between 6 and 18 boxers, depending on the amount raised.
- ▶ **Valuation:** There will be no explicit valuation change, though the revenues should be very transparent and investors will be able to see progress.

Specific Issues

- ▶ **Fees:** The company will be a directed investment in the Seed Advantage EIS Fund, so will pay their standard fees.
- ▶ **Performance fee:** There is no performance fee.

Advisor information		Risks
Scheme assets	£0.1m	<ul style="list-style-type: none"> ▶ Target returns: As per most single company EIS, BAC has produced some financial projections. These are based on previous boxers, but revenue will vary per boxer and is contingent on the fighting success and their marketability and is inherently uncertain. ▶ Boxers: It is difficult to assess the risk of individual boxers, but the return profile is likely to be skewed. Those that do well will give a very good return, but those who do not may be a net cost to the company.
Scheme target	£5m	
EIS assets	£0m	
Total FUM	£13m	
Company launch date	2017	

Analyst

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Factsheet

The Boxing Advantage Company Limited		
Product name	The Boxing Advantage Company	
Product manager	Amersham Investment Management Limited	
Investment Adviser	Seed Mentors Limited	
Tax eligibility	EIS	
Target return	Tbc	
Target income	None	
Type of product	Single company via directed investment in The Seed Advantage EIS Fund	
Term	3-4 years	
Sectors	Sport / Media	
Diversification:		
Number of companies	1	
(Expected) Gini coefficient	1	
Fees	Amount	Paid by
Initial fees:		
Initial fee	7.5% (excl VAT)	Investee company
Manager's fee	Pro-rata share of launch fees for fund of £10,000	Investee company
Receiving agent fees	0.65% (excl VAT) on received funds	Investee company
Annual fees:		
Annual Mentoring Fee	£3,700 (excl VAT) for 5 years	Investee company
Manager's fee	2.0% (excl VAT)	Investee company
Director's fee	£2,000	Investee company
Custodian fee	£100 (excl VAT) per nominee	Investee company
Exit fees:		
Termination fee	0.65% of fund value	Investee company
Advisor fee facilitation	Yes	
Advisor fee amounts	As agreed with investor	
HMRC Approved fund?	No	
Advance Assurance from HMRC	Yes	
Reporting	6 monthly	
Minimum investment	£5,000	
Current funds raised	£149,037	
Fundraising target	£5m	
Closing date(s)	30 March 2018, or at manager's discretion	
Expected exit method	Cash return or other exit	

Source: Amersham Investment Management, Seed Mentors, Hardman & Co research

Company Aims

The Boxing Advantage Company (BAC) is a directed investment through the Seed Advantage EIS Fund. There is no specific target return, though the company has supplied forecasts under different scenarios. Returns will be focused on capital gains and investors are unlikely to receive any dividends. The fundraise is aimed at the 2017/18 tax year, with investment on closing(s).

There are two groups that have a role in managing the fund:

- ▶ **Investment Manager:** Amersham Investment Management, who do fund management and compliance.
- ▶ **Investment Advisor/Promoter:** Seed Mentors, who source and manage the projects.

As a directed single company investment within the fund, the usual fund considerations are less relevant. Nevertheless, they are referred to in this report where relevant.

Summary of Risk Areas

Note: There are generic risks from investing in EIS or unquoted companies in addition to the specific ones commented on below. Comments on relative risk refer to other EIS investments and not to wider investments.

Investments

Portfolio Risk

The investors will, in effect, be investing in a portfolio of the commercial rights of a portfolio of boxers. Success is largely conditional on how well they succeed in their careers. Depending on the funds raised, there will be between 6 and 18 boxers, so a small fundraise may restrict diversification. We would expect each to largely perform independently of each other.

Sourcing and External Oversight

Most of the selection and assessment will be done by Barry McGuigan and Shane McGuigan. The final decision is with the Board of BAC, which has two independent Directors. The pool of potential candidates is small enough for the team to effectively assess them all, though there is competition from others for their signatures. We note there are several related companies and people involved in BAC. These relationships currently seem appropriate, but the independent Directors will need to monitor if any circumstances change.

Ongoing Support and Monitoring

Each boxer will appoint Shane McGuigan as their trainer. He has trained boxers up to World Championship level, so is a credible choice. BAC will employ staff dedicated to sourcing sponsorship. The access to terrestrial television exposure is potentially very supportive too. Further deals may be negotiated, though there are risks as the broadcast market changes.

Finances and Exit

BAC's income will come from sponsorship and personal appearance fees. These are inherently uncertain, as they are contingent on many factors. These include a boxer's

success in fights, their marketability and their weight division. In particular, fight losses early in a boxer's career will affect their individual revenues adversely.

If revenues exceed the expenses, then the business will naturally generate cash. After three years there may be several options, which may include both cash return and keeping the business going.

Management

Executive Team / Consultants

The team of consultants, headed by Barry McGuigan, bring huge experience and knowledge of the boxing world.

Track Record

To date, the number of boxers that have come through the proposed management and training structure is limited. Some have won world championships, but the number is too small to make assessments of success rates. Scaling up may affect this.

Regulation

Company

Advance Assurance has been received from HMRC. Note that this is conditional on the company not sharing in the purses from fights.

Fund

The Fund is managed by Amersham Investment Management. They have the appropriate FCA authorisations in place.

Risk Analysis / Commentary

Although a single company, this can be viewed from an investment perspective as a fund of boxers. The business plan has already been successfully used on a smaller scale by the McGuigan family, so the model has credibility.

Increasing the scale of operations does look achievable on a practical level. The BAC team are also very realistic that there is a limit to how big they can grow the company. They believe that they can recruit sufficient good talent, but it is difficult to validate this. However, the structure incentivises them to do so. The competition for signing boxers is established, but the McGuigans have already shown that they can attract talented boxers.

It seems likely that individual boxers will produce a spread of results, with some not progressing very far and others going beyond the expected business plan. There is scope to bring in new talent to replace those who drop out. However, some will probably have to succeed at World Championship level to achieve good returns.

Recruitment of appropriate staff to maximise sponsorship potential is also key to achieving financial success.

Overall, BAC provides an interesting proposition, especially for investors who already have an interest in boxing. As with many EIS, returns could give a wide range of potential outcomes, but management make a good case for these to be potentially attractive.

Investment Process

The business plan for The Boxing Advantage Company (BAC) can be summarised as follows:

- ▶ Discover and sign boxers that are considered to have the potential to win championships at all levels;
- ▶ Support these boxers by funding them as full time athletes and training them;
- ▶ Use existing infrastructure to promote them, with BAC receiving the sponsorship revenues.

Although BAC will have some infrastructure and will be run as a company, it can also be viewed as a fund of boxers. In this report we look at it from both angles.

Deeper dig into process

Boxer Selection

Barry McGuigan is the principle decision maker in the choice of which boxers will be made offers, with input from Shane McGuigan and other members of his team. The intention is to focus on UK and Irish boxers, though overseas signings are not ruled out.

The domestic boxing world is not a big one, and it is relatively easy for Barry to monitor. He estimates that at any time there are no more than half a dozen boxers in each of the 17 weight divisions with reasonable potential to achieve international titles. Most of this monitoring is done via video, with both dedicated sources, such as the World Boxing Association, and informal channels like YouTube being used. He also uses a network of Managers and Scouts which are established within his operations.

If Barry thinks a boxer is potentially of interest, then his next step is to watch them live. This allows him to assess things that may not be shown on videos.

The boxer would then be invited along to the gym. Occasionally they may be brought in as a sparring partner, but usually it is for a proper assessment that usually lasts about a week. During this the boxer is put through the wringer, with his skills and attitude analysed in depth. At this stage there is an acceptance that their skills will probably have some weaknesses. Part of the assessment is to see if the training programme that is used can be used to improve those.

While a core talent is key, other factors are just as important. Having a good chin and a strong heart are vital. Ideally, Barry would like the boxer to be explosive too. The right attitude is also a must. They have to fit in personality wise – during the training camps the team will be pretty much living together. This means having the expected drive and determination, but also being respectful. Without the latter, the boxer may not listen properly, and potentially be difficult for the team to work with.

While the recommendation from Barry & Shane McGuigan will carry a lot of weight, the final decision on whether to make a boxer an offer will sit with the Board. It is possible, though unlikely, that the Board could reject a boxer, but the boxer is still signed by the McGuigans separately.

An offer to a boxer means signing four contracts:

- ▶ A contract appointing Barry McGuigan as their manager. This is a standard contract from the British Boxing Board of Control.
- ▶ A training contract with McGuigan's Gym, appointing Shane McGuigan as their trainer.
- ▶ A promotion contract with Cyclone Promotions, run by Blain McGuigan (see *Commercial Arrangements and Sponsorship* below for more information).
- ▶ A commercial rights agreement with PYX Sports Management to assign sponsorship. PYX in turn contracts with BAC.

All contracts are initially for a duration of three years, with a break clause if the boxer is unable to fight.

The financial payments under these will flow in several directions. The boxer will have their training costs, and in effect, a salary paid for by BAC. In return BAC, via PYX, will have rights to all sponsorship revenues.

The boxer will receive the purses from the fights. These will be paid by the promoter of the fight, who will retain the revenues from and bear the expenses of the fights. In many cases this will be Cyclone Promotions, but boxers will fight in events run by other promoters too. The manager and trainer will take a share of the purses. The trainer will also be paid by BAC for the training expenses. Investors should note that the Advance Assurance for BAC is conditional on the company not sharing in the boxer's purses.

Often there will be competition for signing these boxers, with two large operators in the market, as well as some smaller independents. The two well known ones are BoxNation / Frank Warren and Eddie Hearn, who have broadcast deals with BT and Sky respectively.

Not everyone who has been offered a contract has accepted. However, the offering from the group in terms of training quality and publicity generation is competitive. The McGuigan name is a significant part of that, as is their success with previous signings.

The intention is for BAC to sign a minimum of 6 boxers and a maximum of 18. The number is a function of the funds available to fund the core costs and, so, depends on the funds raised.

Boxer Support and Training

One of the aims of the process is to allow boxers to go full time. Most of those signed will currently have other jobs, which can both be distracting in terms of mental focus and make physical conditioning programmes more challenging. The business plan assumes annual payments from BAC to boxers, rising over the three years, plus a signing bonus.

Training will be based at the McGuigan Gym, run by Shane McGuigan (Barry's son). This is a facility dedicated to the professional boxers, with the majority of use by those signed to the McGuigans. There is also some usage by visiting (international) boxers, which generates goodwill for access to their home facilities when required, and established domestic boxers on more ad-hoc arrangements.

The gym has two full-time staff. Although Shane McGuigan is only 29, he has established himself as a leading trainer in international boxing and was voted *Trainer of the Year* in 2016 by both the Boxing Writers' of America and British Boxing Board

of Control. The gym also has a full time strengthening coach who gives boxers one-on-one attention to tune their exercises precisely. Additional staff include a nutritional specialist, and a physiotherapist who comes in at least twice a week.

The boxers will not use the gym all year round. Instead their attendance will be focussed on eight week training camps in the run up to each fight. The early part of this will focus on conditioning, while the later part will have more emphasis on sparring. The appropriate selection of sparring partners is important, which leads to this being a significant cost. In particular, as a boxer's career progresses they will require higher quality sparring partners, which has cost implications.

If a boxer keeps improving and gaining titles, then over time the fights tend to get longer (more rounds), but they take place less frequently. So, although training costs per camp should rise as a boxer develops, the annual costs increase at a lower rate. BAC's model has these rising from around £40,000 in the first year to something in excess of £50,000 in year three.

Commercial Arrangements and Sponsorship

The use of Cyclone Promotions is seen as being a key part of the package. They have an agreement with Channel 5 to have fights broadcast on UK terrestrial television. As part of the deal Cyclone will guarantee a minimum number of fights each year for the signed boxers.

The two other promoters with broadcast arrangements currently link with Sky and BT. The former is very focused on pay-per-view and BT is not available to everyone. Both have deep pockets, and currently terrestrial television cannot compete with them for the top fights. Despite that, the wider access to terrestrial television provides easier access for fans. We understand that Channel 5's viewing figures for fights compare favourably, despite not always having such big names as their competitors.

From a sponsorship perspective the latter is advantageous for BAC. Sponsors are not just looking for boxing success, but also a good media profile. If terrestrial television is producing higher viewing figures, that should make sponsorship more attractive. Each boxer could have up to half a dozen sponsors on shorts and gowns.

There is some risk in that the broadcasting environment is currently changing rapidly. Cyclone will ensure that all fights are broadcast, this may be through other channels in the future. It cannot be clear what effect this may have on sponsorships. However, we understand that BAC is exploring other options, including international and digital broadcast which may provide additional coverage.

Success in social media could also add to revenues. There has already been a start in raising profiles of the group as a whole, and in aggregate the current audience is estimated as up to 4.5m. Currently some big boxers are benefitting from adverts in training videos, and BAC will look to do that for their roster. As yet it is unclear how valuable that could be for lesser known fighters, but adds to the options.

Personal appearances will be another revenue source. This is not without tension, in that sponsors will be more interested in these during the run up to fights. In this period the boxers will be in their training camps and unavailable, but outside that they will have much more time to do personal appearances.

All things considered, a balance between training and personal appearances will have to be struck. While investors will be carefully considering the financial potential

and looking to maximise it, underlying these are athletes who will need to work hard to achieve their potential and need to be treated as people, not financial instruments.

BAC will employ a couple of staff, whose role will be to find sponsors and promote the boxers, both commercially and on social media. These have yet to be recruited, and getting the right people will be key to maximising the sponsorship potential.

Potential Boxers

Barry McGuigan has already used this model on a smaller scale (see *Track Record* below). There are four boxers that have been signed in 2017 whose contracts may be transferred into BAC. There is no certainty on who will be transferred, as it depends on how quickly funds are raised and how fast their careers progress. The potential boxers are:

- ▶ **Chantelle Cameron:** lightweight. Now IBO World Champion. Women's boxing is growing in popularity and she is a rising star.
- ▶ **Chris Billam-Smith:** cruiserweight. Now 27, he has had a very successful amateur career before turning professional in 2017.
- ▶ **Martin Bakole:** heavyweight. Originally from D.R. of Congo, but now based in Scotland. Professional for three years, he has a 10-0 record.
- ▶ **Lee McGregor:** bantamweight, but may go up. He has only just turned professional at the age of 20.

Governance and Post-Investment Monitoring

Advance assurance has been received from HMRC. As mentioned above, this is subject to the company restricting its activities to those in its business plan. In particular, the company cannot have a financial interest in the fight purses.

All shares, and cash prior to investment, will be held by the Custodian, Woodside Corporate Services.

Investors will receive reports via the Seed Advantage EIS Fund, which send them out every 6 months. Although there is unlikely to be any valuation change, revenues in the company should be very visible.

As is normal for Fund investments, Harvey Shulman from Seed Mentors sits on the Board. The company will also have access to the Seed Mentor's support and mentoring, though given the specific nature of the company this is probably less relevant than for most companies in the Fund.

The intention is that the number of boxers signed will be a function of the funds raised. BAC is dependent on some key people, particularly Barry and Shane McGuigan, and so is limited in its scalability. The 18 boxers that would be signed in the event of a full fundraise are seen as the most that could be dealt with under the current structure. If the full amount is not raised, then some capacity would be left. At the moment there is no firm plan for these circumstances, partially as it would depend on how many boxers were actually signed. Options may include leaving the company as it is, doing a further fundraise for BAC or using the same model in a new company (BAC2 in essence).

Exits and Ongoing Activities

As described above, boxers will be signed on three year contracts. The intention is for sponsorship contracts to have a similar term. If the company has any success, it will then have accrued its revenues as cash. This can be returned to shareholders by various mechanisms, such as share buybacks.

However, if the management teams on both the boxing and commercial sides have done a good job then boxers may be willing to sign for further periods. Given the boxers who are in this position are likely to have been successful, there would likely be a revenue sharing arrangement for sponsorship rather than BAC retaining 100%. For a successful boxer this could continue to produce significant revenue.

A boxer in this position would no longer require financial support to box full time, so the company would not incur those costs. This could give the basis for extending the company's activities indefinitely, with the possibility of signing new boxers or expanding its range of activities. Depending on BAC's success, this could be done while still returning surplus cash after year three and any decisions would most likely be taken in consultation with shareholders.

There is also the intention to list the company on NEX Exchange, subject to sufficient funds being raised. With the share being issued under EIS, there is unlikely to be much, if any, liquidity within the first three years. This will entail some additional costs, though we understand Seed Mentors will supply much of the legal work from within their existing fees.

Track Record

As mentioned above, BAC is broadly based on a structure that the McGuigan family have been using for a few years. As well as the boxers mentioned as potential candidates for BAC, Shane McGuigan is currently the trainer for two other fighters. George Groves is the current WBA World Super Middleweight champion. Josh Taylor, who is also managed by Barry McGuigan, is WBC Silver & Commonwealth Super Lightweight Champion.

To date there have also been five boxers that have been either managed by Barry McGuigan or trained by Shane McGuigan or both, but are no longer with them. These are:

- ▶ **Carl Frampton MBE:** Former two-weight world champion, having held unified WBA and IBF super-bantamweight titles between 2014 and 2016 and WBA featherweight title from 2016-2017. Was both trained and managed.
- ▶ **David Haye:** Former two-weight world champion, becoming unified cruiserweight champion in 2008, moving up to heavyweight in 2009 and winning the WBA title. Was trained only.
- ▶ **Josh Pritchard:** Former featherweight, hasn't boxed since his 5 fights in 2015. Was trained and managed.
- ▶ **Antony Cacace:** A super featherweight, he recently lost a fight for the British championship. Was trained and managed.
- ▶ **Conrad Cummings:** Currently European middleweight champion. Was trained and managed, separating in September 2017.

There are also some other boxers which they have been involved with for short periods, but not long enough to have a significant influence on their careers.

Overall the track record is very limited, with only seven boxers for reference. Within those there are three world champions and two more who have achieved other international titles. One of the others had a title fight, but lost. This shows that the McGuigans can attract top talent, but also that success is not assured for everyone. There is not enough data to reasonably estimate expected success rates for the future.

Figures for their sponsorship revenues are not available, but knowledge of these has been used to inform the company's projections.

Financial Projections

Generic disclaimer: *Generally, management projections, particularly for revenue, are at the optimistic end of likely outcomes. Although management usually make some allowance for plans not running smoothly, many things in early stage companies do not go to plan, and even those that are successful usually have delays somewhere that adversely affect revenue progress or increase costs.*

The projections for any boxer are a function of their success. BAC have produced projections for candidates based on the following assumptions:

- ▶ Career progress for those currently signed based on actual fight plans, which includes moving towards a European title. These are largely contingent on the boxer continuing to win. A serious injury or a loss in particular would affect these adversely. Conversely faster progress is also possible. The hope is that some will win World titles, which should produce higher revenues.
- ▶ BAC achieves sponsorship revenues similar to those that previous boxers in the McGuigan stable have achieved.
- ▶ A boxer who drops out is replaced.
- ▶ No revenues after year 3.

The costs for each boxer run at a little over £100,000 per year, including a share of central costs. Each boxer will receive a signing bonus reflecting where they currently are in their career progress, so the all in costs over three years per boxer will roughly be £300-350,000.

The modelling assumes annual revenues of c£200,000 per boxer in the first year, rising to up to c£350,000 in year 3. Of the income, around 10-15% is expected to come from event fees. This is sponsorship directly related to fights, such as a sponsor name on shorts. The majority is expected to come from other sponsorship and personal appearance revenue. In both cases, the amount is contingent on the boxers' success and the ability of BAC to market them.

A key assumption is the success rate of boxers. BAC is, understandably, reluctant to put a figure on this. We note the previous successes that the team has had, but also that there are only a few boxers to date. Scaling up brings risks for any organisation.

BAC has produced figures based on £5m raised and 12 boxers. This is quite conservative, as this amount would cover the projected expenses in full over three years. It would be reasonable to fund 12 boxers off a smaller capital base, with an improvement in returns. We have given a limited sensitivity analysis below, assuming that the full plan expenses are incurred. These assumptions have made no allowance for corporation tax.

Boxing Advantage Company financial projections after 3 years				
Proportion of successful revenue	50%	60%	75%	90%
Revenue (£m)	5.46	6.55	8.19	9.83
Expenses (£m)	6.07	6.07	6.07	6.07
Gross profit (£m)	-0.61	0.48	2.12	3.76
Gross return	-12%	10%	42%	75%

Source: BAC, Hardman & Co research

Assuming all the expenses are incurred, break even over three years occurs at around a 56% success rate. In practice that is likely to be lower as some costs would be saved, as failures may involve injuries, fewer fights (and hence fewer training camps) or cheaper sparring partners. Alternatively, if costs are scaled at the same rate as revenues, then a 75% success rate will give total gross profit of £3.3m, or a 65% return.

There is clearly upside to these figures as well. Signing 18 boxers, instead of the dozen assumed, would increase the gross profit by more than 50% due to fixed costs. There is also the possibility that some boxers exceed the base case. Faster progress to titles or achievement of world titles would bring greater sponsorship.

Fees

The fees for the Seed Advantage EIS Fund as applied to BAC are set out in the table on page 3 and are all payable by the company. These are straightforward, other than as noted below:

- ▶ **Custody fees:** This is £100 per investor per annum and is subject to a minimum of £3,500 per annum. With 37 investors already in place, the former will apply.
- ▶ **Other costs:** There is provision in the Fund's Information Memorandum for other costs, including additional mentoring fees. These are not expected to be incurred.

The fees and charges are quoted net of VAT. The expectation is that BAC will have sufficient VATable revenue to offset this, but if the project is unsuccessful that may not be the case.

Shareholders and Fundraising targets

Boxing Advantage Company currently has 66,117 shares in issue. The split of shareholders is given in the following table.

Shareholders		
Name	Number of shares	Proportion of total
Harvey Shulman	46500	70%
WCS Nominees	16116	24%
Robert Allen Whitehouse	3500	5%
Seed Mentors Ltd	1	<1%

Source: Hardman & Co research

The fundraising target is up to £5m, though the expectation is c£2m, with a closing date of 30 March 2018. Earlier dates may be set depending on progress and the readiness of boxers to sign up. The number of boxers that the company will contract is roughly proportional to the amount raised.

The minimum subscription is £5,000 per investor, which is lower than most EIS funds.

People and Fund relationships

As a directed investment within the Seed Advantage EIS Fund, BAC has several parties involved. The company has three Directors, one of which is the CEO of Seed Mentors. Barry McGuigan is employed by the fund as a consultant, as is Blain McGuigan and Jake McGuigan. The Amersham Directors will not have a role in the management of the company, but have performed the usual diligence as for any of the Fund's investments.

People

Barry McGuigan MBE – Consultant

One of the outstanding boxers of his generation, he won Commonwealth Gold in 1978 at the age of 16. In 1985 he became Featherweight Champion of the World. Since retiring from fighting he has remained involved in the sport, initially as a writer and commentator. He trained his son, Shane, to national titles and launched the 'Barry McGuigan Boxing Academy' in 2009.

Rupert Phillips – Director, BAC; Director of Operations, Cyclone Promotions

Has a background primarily in real estate and corporate finance. He has specialised in putting together funding for residential investments, and previously had the McGuigan family as a client. Has now stepped back from property and is responsible for the strategic direction of BAC and representing investors.

Harvey Shulman – Director, BAC; CEO Seed Mentors

Qualified and worked as a solicitor from the early 1970s. Created several innovative property-based BES products and continued with pub and film companies for EIS. Built up Solitaire, a residential property company which was sold in 2006 for £40m. Has acquired some solicitors' practices and still consults for law firms.

Robert Whitehouse – Director

Started his career in enforcement at HMRC, but has spent most of his career in private practice. His main experience has been in litigation around corporate structures and insolvency. Has had a strong interest in boxing, having been on the Management Committee of Finchley Amateur Boxing Club for over eight years.

Paul Barnes – Director, Amersham

Has a broad background, having been involved in Tradepoint Stock Exchange, and was Executive Financial Director of Tristel and Oxford Catalysts during their AIM admission. Established Beach Street as a corporate advisory firm.

Michael Waller-Bridge – Director, Amersham

Worked at the London Stock Exchange before co-founding Tradepoint where he served as CEO from 1994 to 1997. Until 2008, he worked as an advisor to various ventures including online stockbroking, fund management and a business incubator.

Potential Conflicts of Interest

Although in the normal course of events many business relationships of its Directors are positives for a company, under some circumstances they may cause conflicts of interest. We note those that have been disclosed to us.

McGuigan's Gym and Cyclone Promotions are both owned by members of the McGuigan Family. The Gym will be paid by BAC for the training of boxers, and the other Directors should ensure the value of those payments is appropriate. It is possible to imagine changes in circumstances where arrangements with other organisations may be better for BAC, and the Board may need to keep those under review if necessary.

Appendix 1 – Due Diligence Summary

Summary of core due diligence questions		
Company		Validated by
Company	Boxing Advantage Company Limited	
Founded	2014	Hardman & Co
Type	Private Limited Company	Hardman & Co
Ownership	See page 12	Hardman & Co
FCA Registration	NA	Hardman & Co
Solvency	NA	Hardman & Co
EISA member	No	Hardman & Co
Company	PYX Sports Management Limited	
Founded	2017	Hardman & Co
Type	Private Limited Company	Hardman & Co
Ownership	Shares held in trust for Rupert Phillips	Company
FCA Registration	NA	Hardman & Co
Solvency	NA	Hardman & Co
EISA member	No	Hardman & Co
Investment Manager		
Company	Amersham Investment Management Limited	Information Memorandum
Founded	2012	Hardman & Co
Type	Limited Company	Hardman & Co
Ownership	Paul Barnes owns 81%, whilst Michael Waller-Bridge owns 19%	Hardman & Co
FCA Registration	Yes - 507460	Hardman & Co
Solvency	Confirmed	Company
EISA member	No	Hardman & Co
Fund Mentor		
Company	Seed Mentors Limited	Information Memorandum
Founded	2012	Hardman & Co
Type	Private Limited Company	Hardman & Co
Ownership	Harvey Shulman (98%), Shani Randall (2%)	Hardman & Co
CRN	08078439	Hardman & Co
FCA Registration	No	Hardman & Co
Solvency	NA	Hardman & Co
EISA Member	Yes	Hardman & Co
Fund Custodian		
Company	Woodside Corporate Services	Information Memorandum
FCA Registration	467652	Hardman & Co

Source: Hardman & Co research

Regulation

Boxing Advantage Company was incorporated as Heavyweight Boxing Advantage Limited in 2014, changing its name in 2015. The accounts to 30 September 2015 were for a dormant company. The latest accounts are to 30 September 2016. Other submissions to Companies House appear to be up to date.

Amersham Investment Management Limited was incorporated in 2009 as Beach Street Financial Solutions, changing its name in 2012. It is FCA Registered (number 507460) with appropriate permissions for a fund manager. The latest accounts are as of 31 October 2015 and are abbreviated under the small company provisions.

Shareholders' funds at that date were £136,000. The company is a "BiPru 50" firm and exceeds its capital requirement comfortably.

Seed Mentors latest accounts are made up to 31 May 2016. Other submissions to Companies House appear to be up to date.

Disclaimer

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