

Company Registration No. 04220076 (England and Wales)

FIREBRAND LIVE LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

WEDNESDAY



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COMPANIES HOUSE

FIREBRAND LIVE LIMITED

COMPANY INFORMATION

Directors

D Oakes
D Bell
J Smith

Company number

04220076

Registered office

41 Mitchell Street
London
EC1V 3QD

Auditors

OJK (Audit) Limited
19 Portland Place
London
W1B 1PX

FIREBRAND LIVE LIMITED

CONTENTS

| | Page |
|-----------------------------------|-------------|
| Directors' report | 1 - 2 |
| Independent auditors' report | 3 - 4 |
| Profit and loss account | 5 |
| Balance sheet | 6 |
| Cash flow statement | 7 |
| Notes to the cash flow statement | 8 |
| Notes to the financial statements | 9 - 17 |

FIREBRAND LIVE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2012

The directors present their report and financial statements for the year ended 31 December 2012

Principal activities and review of the business

The principal activity of the company continued to be that of the production and management of merchandising and associated activities

The company made a pre-tax profit of £193,004 (£230,381 profit in 2011) for the year

The turnover of the company is generated from the design, manufacture and sale of merchandising and support services in the entertainment industry. 2011 included two one-off contracts (Batman Live show and the Take That Tour) which significantly added to the company's revenue in 2011. The drop off of these 2 contracts has had a slight impact to the gross profit of the business, however a refocus on the administration expenses resulted in operating profits increasing by 13.5%. Whilst continuing to be the leading independent merchandising and licensing business within the European music business, the company opened a US office during 2012 to offer a more global service and solution to clients. The company has continued to have significant success by diversifying into the film entertainment merchandising sector and much of the revenue for this line of business flowed through the US office in 2012. The directors continue to explore new opportunities that will benefit the company.

The principal risks and uncertainties facing the company are primarily those inherent in the live music sector. As well as an underlying economic factors, its income is dependent on a number of acts touring in any given year, as well as managers and major promoters choosing the company as their service provider. Diversifying into the film entertainment sector and other similar licences is allowing the company to have more trading stability and security year on year.

Key performance indicators for the year, not including results of the subsidiaries, are as follows. There was a decrease to revenue of 20% (£18.9m 2011, £15.2m 2012). The addition of new lines of business have protected the gross profit and the revenue reduction has not flowed through to gross profits which experienced a decrease of 6% (£1.9m in 2011, £1.8m in 2012). The administration expenses for the company were reduced by 9% (£1.7m in 2011, £1.5m in 2012). Operating profits improved by 13% (£246k 2011, £279k 2012). Current ratio in 2012 of 1.11 (2011 - 1.05) increased due to higher trade debtors arising from late in the year revenue. The quick ratio in 2012 of 1.01 (2011, 0.81) is up due to a decrease in stock from utilisation in the business.

Results and dividends

The results for the year are set out on page 5.

No dividends will be distributed in respect of the year ended 31 December 2012.

Post balance sheet events

There have been no post balance sheet events that affect either the figures or the understanding of these accounts.

Future developments

The principal activity of the company is not anticipated to change. The directors intend to further build on the current success achieved, reducing the business from adverse trends in existing markets whilst continuing to provide excellent services to the company's core music sector clients.

FIREBRAND LIVE LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

Directors

The following directors have held office since 1 January 2012

D Oakes
D Bell
J Smith

Auditors

OJK (Audit) Limited were appointed auditors to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting

Statement of directors' responsibilities

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. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

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.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



D Oakes
Director
28/10/2013

FIREBRAND LIVE LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF FIREBRAND LIVE LIMITED

We have audited the financial statements of Firebrand Live Limited for the year ended 31 December 2012 set out on pages 5 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

FIREBRAND LIVE LIMITED

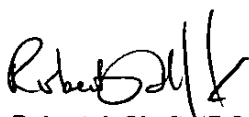
INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF FIREBRAND LIVE LIMITED

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, 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



Robert J Shafto F.C.A (Senior Statutory Auditor)
for and on behalf of OJK (Audit) Limited

29th October 2013

Chartered Accountants
Statutory Auditor

19 Portland Place
London
W1B 1PX

FIREBRAND LIVE LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2012

| | Notes | 2012 £ | 2011 £ |
|------------------------------------------------------|-------|------------------|------------------|
| Turnover | 2 | 15,181,235 | 18,964,075 |
| Cost of sales | | (13,347,398) | (17,006,303) |
| Gross profit | | 1,833,837 | 1,957,772 |
| Administrative expenses | | (1,554,356) | (1,711,493) |
| Operating profit | 3 | 279,481 | 246,279 |
| Other interest receivable and similar income | 4 | 4,580 | 3,576 |
| Amounts written off investments | 5 | (67,500) | - |
| Interest payable and similar charges | 6 | (23,557) | (19,474) |
| Profit on ordinary activities before taxation | | 193,004 | 230,381 |
| Tax on profit on ordinary activities | 7 | (76,094) | (15,599) |
| Profit for the year | 14 | 116,910 | 214,782 |

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

FIREBRAND LIVE LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2012

| | Notes | 2012 £ | £ | 2011 £ | £ |
|-------------------------------------------------------|-------|--------------------|----------------|--------------------|----------------|
| Fixed assets | | | | | |
| Tangible assets | 8 | 168,875 | | 266,182 | |
| Investments | 9 | | 2 | 67,500 | |
| | | | <u>168,877</u> | | <u>333,682</u> |
| Current assets | | | | | |
| Stocks | 10 | 410,932 | | 881,033 | |
| Debtors | 11 | 3,196,568 | | 2,375,078 | |
| Cash at bank and in hand | | 867,813 | | 711,513 | |
| | | <u>4,475,313</u> | | <u>3,967,624</u> | |
| Creditors: amounts falling due within one year | 12 | <u>(4,031,986)</u> | | <u>(3,806,012)</u> | |
| Net current assets | | | <u>443,327</u> | | <u>161,612</u> |
| Total assets less current liabilities | | | <u>612,204</u> | | <u>495,294</u> |
| Capital and reserves | | | | | |
| Called up share capital | 13 | | 129 | | 129 |
| Share premium account | 14 | | 122,198 | | 122,198 |
| Profit and loss account | 14 | | 489,877 | | 372,967 |
| Shareholders' funds | 15 | | <u>612,204</u> | | <u>495,294</u> |

Approved by the Board and authorised for issue on 22/10/2013



D. Oakes
Director

Company Registration No 04220076

FIREBRAND LIVE LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2012

| | £ | 2012 £ | £ | 2011 £ |
|--------------------------------------------------------------------------------------|----------|-----------|-----------|-----------|
| Net cash inflow from operating activities | | 1,932 | | 770,094 |
| Returns on investments and servicing of finance | | | | |
| Interest received | 4,580 | | 3,576 | |
| Interest paid | (23,557) | | (19,474) | |
| Net cash outflow for returns on investments and servicing of finance | | (18,977) | | (15,898) |
| Taxation | | 21,921 | | 959 |
| Capital expenditure and financial investment | | | | |
| Payments to acquire tangible assets | (18,922) | | (248,306) | |
| Payments to acquire investments | (2) | | - | |
| Receipts from sales of tangible assets | - | | 300 | |
| Net cash outflow for capital expenditure | | (18,924) | | (248,006) |
| Net cash (outflow)/inflow before management of liquid resources and financing | | (14,048) | | 507,149 |
| Financing | | | | |
| Repayment of other short term loans | - | | (250,000) | |
| Net cash outflow from financing | | - | | (250,000) |
| (Decrease)/increase in cash in the year | | (14,048) | | 257,149 |

FIREBRAND LIVE LIMITED

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2012

| 1 | Reconciliation of operating profit to net cash inflow from operating activities | 2012 | 2011 |
|---|---------------------------------------------------------------------------------|--------------|----------------|
| | | £ | £ |
| | Operating profit | 279,481 | 246,279 |
| | Depreciation of tangible assets | 116,229 | 66,828 |
| | Loss on disposal of tangible assets | - | 84,043 |
| | Decrease/(increase) in stocks | 470,101 | (653,870) |
| | Increase in debtors | (858,109) | (258,463) |
| | (Decrease)/Increase in creditors within one year | (5,770) | 1,264,751 |
| | Net effect of foreign exchange differences | - | 20,526 |
| | Net cash inflow from operating activities | 1,932 | 770,094 |

| 2 | Analysis of net funds | 1 January 2012 | Cash flow | Other non-cash changes | 31 December 2012 |
|---|--------------------------|----------------|-----------------|------------------------|------------------|
| | | £ | £ | £ | £ |
| | Net cash | | | | |
| | Cash at bank and in hand | 711,513 | 156,300 | - | 867,813 |
| | Bank overdrafts | (664,598) | (170,348) | - | (834,946) |
| | | <u>46,915</u> | <u>(14,048)</u> | <u>-</u> | <u>32,867</u> |
| | Bank deposits | - | - | - | - |
| | Net funds | 46,915 | (14,048) | - | 32,867 |

| 3 | Reconciliation of net cash flow to movement in net funds | 2012 | 2011 |
|---|----------------------------------------------------------|-----------------|----------------|
| | | £ | £ |
| | (Decrease)/increase in cash in the year | (14,048) | 257,149 |
| | Cash (inflow)/outflow from (increase)/decrease in debt | - | 250,000 |
| | Net effect of foreign exchange differences | - | (20,526) |
| | Movement in net funds in the year | (14,048) | 486,623 |
| | Opening net funds/(debt) | 46,915 | (439,708) |
| | Closing net funds | 32,867 | 46,915 |

FIREBRAND LIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

| | |
|--------------------------------|--------------------------------------|
| Land and buildings Leasehold | 10% straight line depreciation |
| Plant and machinery | 25/33/50% straight line depreciation |
| Fixtures, fittings & equipment | 25% straight line depreciation |

1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term

1.6 Investments

Fixed asset investments are stated at cost less provision for diminution in value

1.7 Stock

Stock is valued at the lower of cost and net realisable value

1.8 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account

1.9 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The results of subsidiary Firebrand Live US Inc have not been consolidated and its accounts have not been audited as the directors consider them to be immaterial

FIREBRAND LIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

2 Turnover

Geographical market

| | Turnover | |
|-------------------|-------------------|-------------------|
| | 2012 | 2011 |
| | £ | £ |
| United Kingdom | 6,484,329 | 13,286,014 |
| Europe | 2,602,037 | 3,232,505 |
| Rest of the world | 6,094,869 | 2,445,556 |
| | <u>15,181,235</u> | <u>18,964,075</u> |

3 Operating profit

| | 2012 | 2011 |
|------------------------------------------------------------------|-----------------|----------|
| | £ | £ |
| Operating profit is stated after charging | | |
| Depreciation of tangible assets | 116,229 | 66,828 |
| Loss on disposal of tangible assets | - | 84,043 |
| Loss on foreign exchange transactions | - | 20,526 |
| Operating lease rentals | 39,697 | 36,821 |
| Auditors' remuneration (including expenses and benefits in kind) | 11,989 | 13,441 |
| and after crediting | | |
| Profit on foreign exchange transactions | <u>(29,648)</u> | <u>-</u> |

4 Investment income

| | 2012 | 2011 |
|----------------|--------------|--------------|
| | £ | £ |
| Other interest | <u>4,580</u> | <u>3,576</u> |

5 Amounts written off investments

| | 2012 | 2011 |
|---------------------------------------------|---------------|----------|
| | £ | £ |
| Amounts written off fixed asset investments | | |
| - permanent diminution in value | <u>67,500</u> | <u>-</u> |

FIREBRAND LIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

| | | | |
|----------|---------------------------------------------------------------------------------------------------------------------------|----------------|-----------------|
| 6 | Interest payable | 2012 | 2011 |
| | | £ | £ |
| | On bank loans and overdrafts | 23,517 | 19,037 |
| | Other interest | 40 | 437 |
| | | <u>23,557</u> | <u>19,474</u> |
| | | | |
| 7 | Taxation | 2012 | 2011 |
| | | £ | £ |
| | Domestic current year tax | | |
| | U K corporation tax | 76,995 | 15,599 |
| | Adjustment for prior years | (901) | - |
| | Total current tax | <u>76,094</u> | <u>15,599</u> |
| | | | |
| | Factors affecting the tax charge for the year | | |
| | Profit on ordinary activities before taxation | <u>193,004</u> | <u>230,381</u> |
| | | | |
| | Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 24.00% (2011 - 26.50%) | <u>46,321</u> | <u>61,051</u> |
| | Effects of | | |
| | Non deductible expenses | 1,489 | 7,359 |
| | Depreciation add back | 27,895 | 17,709 |
| | Capital allowances | (11,885) | (37,463) |
| | Tax losses utilised | - | (50,510) |
| | Adjustments to previous periods | (901) | - |
| | Loss on disposal of assets | 16,200 | 22,271 |
| | Other tax adjustments | (3,025) | (4,818) |
| | | <u>29,773</u> | <u>(45,452)</u> |
| | Current tax charge for the year | <u>76,094</u> | <u>15,599</u> |

FIREBRAND LIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

8 Tangible fixed assets

| | Land and buildings Leasehold | Plant and machinery | Fixtures, fittings & equipment | Total |
|-----------------------|------------------------------------|------------------------|--------------------------------------|---------|
| | £ | £ | £ | £ |
| Cost | | | | |
| At 1 January 2012 | 13,594 | 397,503 | 15,340 | 426,437 |
| Additions | - | 18,922 | - | 18,922 |
| At 31 December 2012 | 13,594 | 416,425 | 15,340 | 445,359 |
| Depreciation | | | | |
| At 1 January 2012 | 8,155 | 139,070 | 13,030 | 160,255 |
| Charge for the year | 1,359 | 113,605 | 1,265 | 116,229 |
| At 31 December 2012 | 9,514 | 252,675 | 14,295 | 276,484 |
| Net book value | | | | |
| At 31 December 2012 | 4,080 | 163,750 | 1,045 | 168,875 |
| At 31 December 2011 | 5,439 | 258,433 | 2,310 | 266,182 |

FIREBRAND LIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

9 Fixed asset investments

| | Shares in participating interests £ | Shares in group undertakings £ | Total £ |
|-----------------------|----------------------------------------------|-----------------------------------------|---------------|
| Cost | | | |
| At 1 January 2012 | 67,500 | - | 67,500 |
| Additions | - | 2 | 2 |
| Revaluation | (67,500) | - | (67,500) |
| | <u>-</u> | <u>2</u> | <u>2</u> |
| At 31 December 2012 | - | 2 | 2 |
| Net book value | | | |
| At 31 December 2012 | - | 2 | 2 |
| | <u>-</u> | <u>2</u> | <u>2</u> |
| At 31 December 2011 | 67,500 | - | 67,500 |
| | <u>67,500</u> | <u>-</u> | <u>67,500</u> |

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies

| Company | Country of registration or incorporation | Shares held Class | % |
|--------------------------------|---------------------------------------------|----------------------|--------|
| Subsidiary undertakings | | | |
| Firebrand Music Group Limited | United Kingdom | Ordinary | 100 00 |
| Firebrand Limited | United Kingdom | Ordinary | 100 00 |
| Firebrand Live, Inc | United States | Ordinary | 100 00 |

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows

| | | Capital and reserves 2012 £ | Profit/(loss) for the year 2012 £ |
|-------------------------------|---------------------------|--------------------------------------|--------------------------------------------|
| | Principal activity | | |
| Firebrand Music Group Limited | Dormant company | 1 | 1 |
| Firebrand Limited | Dormant company | 1 | 1 |
| Firebrand Live, Inc | Online retailer | 18,553 | 18,553 |
| | | <u>18,553</u> | <u>18,553</u> |

10 Stocks

| | 2012 £ | 2011 £ |
|-------------------------------------|----------------|----------------|
| Finished goods and goods for resale | 410,932 | 881,033 |
| | <u>410,932</u> | <u>881,033</u> |

FIREBRAND LIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

| 11 Debtors | 2012 | 2011 |
|-----------------------------------------|------------------|------------------|
| | £ | £ |
| Trade debtors | 1,253,462 | 1,227,628 |
| Amounts owed by subsidiary undertakings | 355,960 | - |
| Corporation tax | - | 36,619 |
| Other debtors | 950,056 | 414,811 |
| Prepayments and accrued income | 637,090 | 696,020 |
| | <u>3,196,568</u> | <u>2,375,078</u> |

| 12 Creditors amounts falling due within one year | 2012 | 2011 |
|---------------------------------------------------------|------------------|------------------|
| | £ | £ |
| Bank loans and overdrafts | 834,946 | 664,598 |
| Trade creditors | 1,166,709 | 1,367,122 |
| Corporation tax | 76,995 | 15,599 |
| Other taxes and social security costs | 166,016 | 150,824 |
| Directors' current accounts | 9,000 | 9,000 |
| Other creditors | 1,692,820 | 1,533,456 |
| Accruals and deferred income | 85,500 | 65,413 |
| | <u>4,031,986</u> | <u>3,806,012</u> |

Bank facilities have been secured by way of a fixed and floating charge over the assets of the company

| 13 Share capital | 2012 | 2011 |
|--------------------------------------|-------------|-------------|
| | £ | £ |
| Allotted, called up and fully paid | | |
| 128,571 ordinary shares of 0 1p each | <u>129</u> | <u>129</u> |

FIREBRAND LIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

14 Statement of movements on reserves

| | Share premium account £ | Profit and loss account £ |
|-----------------------------|----------------------------------|------------------------------------|
| Balance at 1 January 2012 | 122,198 | 372,967 |
| Profit for the year | - | 116,910 |
| Balance at 31 December 2012 | <u>122,198</u> | <u>489,877</u> |

15 Reconciliation of movements in shareholders' funds

| | 2012 £ | 2011 £ |
|-------------------------------|----------------|----------------|
| Profit for the financial year | 116,910 | 214,782 |
| Opening shareholders' funds | <u>495,294</u> | <u>280,512</u> |
| Closing shareholders' funds | <u>612,204</u> | <u>495,294</u> |

16 Financial commitments

At 31 December 2012 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2013

| | Land and buildings | |
|--------------------------------------------------|--------------------|---------------|
| | 2012 £ | 2011 £ |
| Operating leases which expire Within one year | <u>54,600</u> | <u>54,600</u> |

17 Directors' remuneration

| | 2012 £ | 2011 £ |
|--------------------------------------|----------------|----------------|
| Remuneration for qualifying services | <u>186,000</u> | <u>196,922</u> |

FIREBRAND LIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

18 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

| | 2012 Number | 2011 Number |
|----------------|----------------|----------------|
| Directors | 3 | 3 |
| Production | 13 | 19 |
| Administration | 5 | 4 |
| | <u>21</u> | <u>26</u> |

Employment costs

| | 2012 £ | 2011 £ |
|-----------------------|----------------|------------------|
| Wages and salaries | 846,668 | 966,676 |
| Social security costs | 87,636 | 100,080 |
| | <u>934,304</u> | <u>1,066,756</u> |

19 Control

The company is ultimately owned and controlled by two of the directors, D Oakes and D Bell, by virtue of their majority shareholding

FIREBRAND LIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

20 Related party relationships and transactions

The Incredible Cup Company Limited is a related party due to being under common control. During the year recharges for £480 (2011 sales of £22,298) were made to this company by Firebrand Live Limited. After the year end the board of directors decided to write off the intercompany balances at the balance sheet date after rendering them irrecoverable. Amounts loaned (£30,958), in the sales ledger (£480), in the purchase ledger (£6,240) and in the cost of investment (£67,500) were written off (2011 balances of £27,958, £nil, (£6,240) and £67,500 respectively).

Seminal Merchandising Limited (Ireland) is a related party due to being under common control. During the year Firebrand Live Limited made sales of £100,307 (2011 £116,813) to Seminal Merchandising Limited (Ireland), which in turn recharged expenses of £43,295 to Firebrand Live Limited (2011 £122,448). At the year end Seminal Merchandising Limited (Ireland) owed £106,663 (2011 £9,418) to Firebrand Live Limited.

Seminal Merchandising Limited (UK) is a related party due to being under common control. During the year Firebrand Live Limited made purchases of £139,965 (2011 £204,953) from Seminal Merchandising Limited (UK). At the year end Seminal Merchandising Limited (UK) was owed £48,830 (2011 £4,513) by Firebrand Live Limited.

Brandinc Limited is a related party due to being under common control. During the year Firebrand Live Limited made sales of £17,472 (2011 £25,289) to, and purchases of £130,000 (2011 £349,388) from Brandinc Limited. At the year end Firebrand Live Limited was owed £6,166 from Brandinc Limited (2011 owed £36,767 to Brandinc Limited).

Brandinc Hong Kong is a related party due to being under common control. During the year Firebrand Live Limited made purchases of £533 (2011 £70,975) from Brandinc Hong Kong. At the year end no amounts were outstanding.

Brandinc Australia is a related party due to being under common control. During the year Firebrand Live Limited made sales of £2,774,570 and recharged expenses of £1,504 (2011 made sales of £1,274,038 to, recharged expenses of £1,708 and made a loan of £87,200) to Brandinc Australia. At the year end Brandinc Australia owed £60,378 (2011 £93,050) to Firebrand Live Limited.

Brandinc Singapore is a related party due to being under common control. During the year Firebrand Live Limited made sales of £2,284,248 to Brandinc Singapore. At the year end Firebrand Live Limited was owed £386,114.

Firebrand Live, Inc. is a wholly owned subsidiary based in the United States. During the year Firebrand Live Limited made sales of £183,531 and loans of £333,505 to its subsidiary. At the year end sales of £180,148 and loans of £175,812 were outstanding.

Trinity Street Direct Limited is a related party due to being under common control. During the year Trinity Street Direct Limited paid the company an outstanding amount from 2011 of £12,839 (2011 Firebrand Live Limited made sales of £10,699 to Trinity Street Direct Limited).

World Supply Limited is a related party due to being under common control. During the year the company credit noted outstanding sales from World Supply Limited of £2,526 and at the year end no amounts were outstanding (2011 £2,526 was due from World Supply Limited to Firebrand Live Limited).

At the year end director D Bell was owed £9,000 by Firebrand Live Limited (2011 £9,000). This director current account is unsecured and interest free, with no fixed repayment date. The balance arises from monies introduced less amounts withdrawn.