

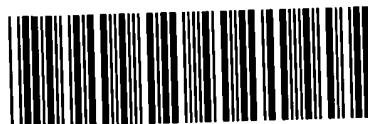
Report of the Directors and

Financial Statements for the Period 29 June 2016 to 31 December 2016

for

Brick Live International Limited

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for the Period 29 June 2016 to 31 December 2016

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Brick Live International Limited

Company Information

for the Period 29 June 2016 to 31 December 2016

**DIRECTORS:**

J D N Ciclitira  
C N Morton  
M Ciclitira (appointed 3 January 2017)  
A Smith (appointed 1 November 2017)

**SECRETARY:**

Sole Associates Accountants Limited

**REGISTERED OFFICE:**

3 Park Court  
Pyrford Road  
West Byfleet  
Surrey  
KT14 6SD

**REGISTERED NUMBER:**

10257756 (England and Wales)

**AUDITORS:**

Sole Associates Accountants Limited  
3 Park Court  
Pyrford Road  
West Byfleet  
Surrey  
KT14 6SD

## Brick Live International Limited

### Report of the Directors for the Period 29 June 2016 to 31 December 2016

The directors present their report with the financial statements of the company for the period 29 June 2016 to 31 December 2016.

#### **INCORPORATION**

The company was incorporated on 29 June 2016 and commenced trading on the same date.

#### **EVENTS SINCE THE END OF THE PERIOD**

Information relating to events since the end of the period is given in the notes to the financial statements.

#### **DIRECTORS**

The directors who have held office during the period from 29 June 2016 to the date of this report are as follows:

J D N Ciclitira - appointed 29 June 2016

S Horgan - appointed 29 June 2016 – resigned 3 January 2017

C N Morton - appointed 29 June 2016

Maria Serena Ciclitira and Andrew Smith were appointed as directors after 31 December 2016, but prior to the date of this report.

All the directors who are eligible offer themselves for election at the forthcoming first Annual General Meeting.

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors 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 International Financial Reporting Standards as adopted by the European Union. 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 AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Brick Live International Limited

Report of the Directors  
for the Period 29 June 2016 to 31 December 2016

**AUDITORS**

The auditors, Sole Associates Accountants Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

**ON BEHALF OF THE BOARD:**



.....  
J D N Ciclitira - Chairman

Date: ..... 28 - 11 - 17 .....

Report of the Independent Auditors to the Members of  
Brick Live International Limited

**Opinion**

We have audited the financial statements of Brick Live International Limited (the 'company') for the period ended 31 December 2016 on pages seven to twenty. 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.

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 a Report of the Auditors 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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit for the period 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 Auditors' 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, 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.

**Other information**

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, 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.

### **Opinion 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

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; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page two, 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 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 the company or to cease operations, or have no realistic alternative but to do so.

### **Our 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 a Report of the Auditors 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.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

Report of the Independent Auditors to the Members of  
Brick Live International Limited



MR G SOLE FCCA (Senior Statutory Auditor)  
for and on behalf of Sole Associates Accountants Limited  
3 Park Court  
Pyrford Road  
West Byfleet  
Surrey  
KT14 6SD

Date: 29-11-17



**Brick Live International Limited**

**Statement of Profit or Loss**  
**for the Period 29 June 2016 to 31 December 2016**

	Notes	£
<b>CONTINUING OPERATIONS</b>		
Revenue	3	1,307,638
Cost of sales		<u>(47,072)</u>
<b>GROSS PROFIT</b>		1,260,566
Administrative expenses		<u>(1,035,429)</u>
<b>OPERATING PROFIT</b>		<u>225,137</u>
<b>PROFIT BEFORE INCOME TAX</b>	5	225,137
Income tax	6	<u>(20,242)</u>
<b>PROFIT FOR THE PERIOD</b>		<u><u>204,895</u></u>

The notes form part of these financial statements

Brick Live International Limited

Statement of Profit or Loss and Other Comprehensive Income  
for the Period 29 June 2016 to 31 December 2016

	£
<b>PROFIT FOR THE PERIOD</b>	204,895
<b>OTHER COMPREHENSIVE INCOME</b>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME</b> <b>FOR THE PERIOD</b>	<u>204,895</u>

The notes form part of these financial statements

Statement of Financial Position  
31 December 2016

	Notes	£
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	7	152,231
Investments	8	<u>500</u>
		<u>152,731</u>
<b>CURRENT ASSETS</b>		
Trade and other receivables	9	<u>989,387</u>
<b>TOTAL ASSETS</b>		<u>1,142,118</u>
<b>EQUITY</b>		
<b>SHAREHOLDERS' EQUITY</b>		
Called up share capital	10	100
Retained earnings	11	<u>204,895</u>
<b>TOTAL EQUITY</b>		<u>204,995</u>
<b>LIABILITIES</b>		
<b>NON-CURRENT LIABILITIES</b>		
Deferred tax	13	<u>20,242</u>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	12	<u>916,881</u>
<b>TOTAL LIABILITIES</b>		<u>937,123</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>1,142,118</u>

The financial statements were approved by the Board of Directors  
on 28-11-17 and were signed on its behalf by:



.....  
J D N Ciclitira - Chairman

The notes form part of these financial statements

Brick Live International Limited

Statement of Changes in Equity  
for the Period 29 June 2016 to 31 December 2016

	Called up share capital £	Retained earnings £	Total equity £
<b>Changes in equity</b>			
Issue of share capital	100	-	100
Total comprehensive income	-	204,895	204,895
<b>Balance at 31 December 2016</b>	<u>100</u>	<u>204,895</u>	<u>204,995</u>

The notes form part of these financial statements

**Brick Live International Limited**

**Statement of Cash Flows**

**for the Period 29 June 2016 to 31 December 2016**

	£
<b>Cash flows from operating activities</b>	
Cash generated from operations 1	<u>59,049</u>
Cash generated from operating activities	<u>59,049</u>
<b>Cash flows from investing activities</b>	
Purchase of tangible fixed assets	(152,231)
Purchase of fixed asset investments	<u>(500)</u>
Cash used in investing activities	<u>(152,731)</u>
<b>Cash flows from financing activities</b>	
Shares issued	100
Amount owed to parent company	<u>93,582</u>
Cash generated by financing activities	<u>93,682</u>
	<hr/>
<b>Increase in cash and cash equivalents</b>	-
<b>Cash and cash equivalents at beginning of period</b>	-
	<hr/>
<b>Cash and cash equivalents at end of period</b>	<u><u>-</u></u>

The notes form part of these financial statements

Brick Live International Limited

Notes to the Statement of Cash Flows  
for the Period 29 June 2016 to 31 December 2016

1. **RECONCILIATION OF PROFIT BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS**

	£
Profit before income tax	225,137
Increase in trade and other receivables	(989,387)
Increase in trade and other payables	<u>823,299</u>
<b>Cash generated from operations</b>	<u><u>59,049</u></u>

**1. STATUTORY INFORMATION**

Brick Live International Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

## **2. ACCOUNTING POLICIES**

### **Basis of preparation**

These financial statements have been prepared on the historical cost basis as modified by use of the fair-value basis where required and in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS as at 31 December 2016.

The preparation of financial statements in conformity with IFRS requires the directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts in the financial statements which are disclosed in note 3.

### **Adoption of standards effective in 2016**

The financial statements are prepared in accordance with International Financial Reporting Standards and interpretations as adopted by the EU in force at the reporting date.

a) New and amended standards adopted by the group.

There were no new standards in effect that have had a significant effect on the financial statements. There have been improvements to standards which provide clarifications rather than substantive changes to requirements.

## **NEW AND REVISED STANDARDS**

### **IFRS in issue but not applied in the current financial statements**

The following IFRS and IFRIC Interpretations have been issued but have not yet been applied by the group and the company in preparing these financial statements, as they are not yet as effective and in some cases had not yet been adopted by the EU. The company intends to adopt these Standards and Interpretations when they become effective, rather than adopt them early.

- IFRS 15, 'Revenue from Contracts with Customers'
- IFRS 16, 'Leases'
- IFRS 10 and IAS 28 (amendments), 'Sale or Contribution of Assets between an Investor and its Associate or Joint Venture'
- Amendments to IFRS 2, 'Classification and Measurement of Share-based Payment Transactions'
- Amendments to IAS 7, 'Disclosure Initiative'
- Amendments to IAS 12, 'Recognition of Deferred Tax assets for Unrealised Losses'

The directors do not expect that the adoption of the Standards listed above will have a material impact on the group in future periods except that IFRS 9 may have an impact on the measurement and disclosure of financial instruments. Beyond this, it is not practicable to provide a reasonable estimate of the effect of IFRS 9 until a detailed review has been completed.

IFRS 16 is a significant change to lease accounting and all leases will require balance sheet recognition of a liability and a right-of-use asset, except short term leases of low value assets. The effect on the group is expected to be immaterial.



**Notes to the Financial Statements - continued**  
**for the Period 29 June 2016 to 31 December 2016**

A number of IFRS and IFRIC interpretations are also currently in issue which are not relevant for the company's activities and which have not, therefore, been adopted in preparing these financial statements.

**Going concern**

The directors have prepared trading and cash flow forecasts for the company for the years ending 31 December 2017, 2018 and 2019. The forecasts incorporate trading assumptions, including licence income, content and brick lease fees, revenue shares, merchandising and other revenue. The forecasts show that the company has sufficient cash to meet liabilities as they fall due for a period of at least twelve months from the date of signature of the financial statements.

The directors believe these forecasts to be realistic and consequently have prepared the financial statements on the going concern basis, which assumes that the company will continue in operational existence for the foreseeable future.

**Revenue recognition**

Revenue includes licence fees, content fees, brick lease fees, revenue shares, merchandising and management fees. Revenue is recognised when the group has earned the right to receive consideration for its performance, measured on the following basis:

- 1) Annual licence fees - on a straightline basis in accordance with the terms of the agreement,
- 2) Event licence fees and revenue shares - on the completion of the event in accordance with the terms of the agreement,
- 3) Content fees - on delivery to the client in accordance with the terms of the agreement,
- 4) Brick lease fees - on a straightline basis in accordance with the terms of the agreement,
- 5) Income from merchandise - on the sale to the customer,
- 6) Management fees - on the rendering of services.

**Property, plant and equipment**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery - 25% on cost

**Financial instruments**

The company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are recognised on trade date when the company becomes a party to the contractual provisions of the instrument. Financial instruments are recognised initially at fair-value plus, in the case of a financial instrument not at fair-value through profit and loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

Financial instruments are derecognised on trade date when the company is no longer a party to the contractual provisions of the instrument.

**2. ACCOUNTING POLICIES - continued**

**Taxation**

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

Deferred tax is provided in full using the balance sheet liability method. Deferred tax is the future tax consequences of temporary differences between the carrying amounts and tax bases of assets and liabilities shown on the statement of financial position.

The amount of deferred tax provided is based on the expected manner of recovery or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

The company does not recognise deferred tax liabilities, or deferred tax assets, on temporary differences associated with investments in subsidiaries, as it is not considered probable that the temporary differences will reverse in the foreseeable future.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. The carrying amounts of the deferred tax assets are reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the assets to be recovered.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Trade receivables**

Trade receivables are stated at their amortised cost. Trade receivables are reduced by appropriate allowances for estimated irrecoverable amounts.

**Trade payables**

Trade payables are stated at their amortised cost.

**3. ACCOUNTING ESTIMATES AND JUDGEMENTS**

The preparation of financial information in accordance with generally accepted accounting practice, in the case of the company, being International Financial Reporting Standards as adopted by the European Union, requires the directors to make estimates and judgements that affect the reported amount of assets, liabilities, income and expenditure and the disclosures made in financial statements. Such estimates and judgments must be continually evaluated based on historical experience and other factors, including expectation of future events.

The significant judgements made by management in applying the company's accounting policies as set out above, and the key source of estimation, were:

- Cost and valuation of investments - Investments are recorded using the purchase method of accounting

- Deferred taxation - deferred tax assets and liabilities have been recognised in the financial statements. The directors have prepared cash flows and forecasts which indicate that it is probable that future taxable profits will be available against which deferred tax assets can be utilised.

**4. EMPLOYEES AND DIRECTORS**

There were no staff costs for the period ended 31 December 2016.

	£
Directors' remuneration	<u>-</u>

**5. PROFIT BEFORE INCOME TAX**

The profit before income tax is stated after charging/(crediting):

	£
Cost of inventories recognised as expense	47,072
Auditors' remuneration	4,500
Foreign exchange differences	<u>(36,710)</u>

**6. INCOME TAX**

**Analysis of tax expense**

	£
Deferred tax – at 19%	<u>20,242</u>
Total tax expense in statement of profit or loss	<u>20,242</u>

Notes to the Financial Statements - continued  
for the Period 29 June 2016 to 31 December 2016

7. **PROPERTY, PLANT AND EQUIPMENT**

	Plant and machinery £
<b>COST</b>	
Additions	<u>152,231</u>
At 31 December 2016	<u>152,231</u>
<b>NET BOOK VALUE</b>	
At 31 December 2016	<u>152,231</u>

8. **INVESTMENTS**

	Interest in joint venture £
<b>COST</b>	
Additions	<u>500</u>
At 31 December 2016	<u>500</u>
<b>NET BOOK VALUE</b>	
At 31 December 2016	<u>500</u>

The company's investments at the Statement of Financial Position date in the share capital of companies include the following:

**Joint venture**

**Brick Live Far East Limited**

Registered office: Hong Kong

Nature of business: event and contract management in Far East

Class of shares:	%	
Ordinary	holding	
	50.00	
		31.12.16
		£
Aggregate capital and reserves		<u>1,000</u>

The group's Joint Venture is Brick Live Far East Limited, a company incorporated in Hong Kong.

Notes to the Financial Statements - continued  
for the Period 29 June 2016 to 31 December 2016

9. **TRADE AND OTHER RECEIVABLES**

	£
Current:	
Trade debtors	65,246
Other debtors	783,283
VAT	31,030
Prepayments	<u>109,828</u>
	<u>989,387</u>

10. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:		Nominal	£
Number:	Class:	value:	
100	Ordinary	£1	<u>100</u>

100 Ordinary shares of £1 each were allotted and fully paid for cash at par during the period.

12. **TRADE AND OTHER PAYABLES**

	£
Current:	
Trade creditors	122,078
Amounts owed to group undertakings	93,582
Other creditors	500
Deferred income	614,427
Accrued expenses	<u>86,294</u>
	<u>916,881</u>

13. **DEFERRED TAX**

	£
Accelerated capital allowances- at 19%	<u>20,242</u>
Balance at 31 December	<u>20,242</u>

14. **EVENTS AFTER THE REPORTING PERIOD**

At 31 December 2016, wholly owned subsidiary, Brick Live International Limited, had entered into significant agreements with third parties for BRICKLIVE events to be held throughout Asia in 2017 and beyond.

**15. ULTIMATE CONTROLLING PARTY**

The ultimate controlling party is Brick Live Group Limited.