

Parent of 10257756

Live Company Group plc Registered Number 00630968

Annual report for the year ended 31 December 2018

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Contents

Page	
3	Directors and Advisers
4	Chairman's Statement
8	Strategic Report
16	Chief Financial Officer's Report
19	Corporate Governance Report
30	Directors' Report
33	Directors' Responsibilities Statement
34	Report of the Independent Auditor
39	Consolidated Statement of Comprehensive Income
40	Statements of Financial Position
41	Statements of Changes in Equity
43	Statements of Cash Flows
44	Notes forming part of the Consolidated Financial Statements

Directors	David Ciclitira (Chairman) Serenella Ciclitira Ranjit Murugason Andrew Smith Bryan Lawrie Trudy Norris-Grey Simon Horgan
Public Limited Company No.	00630968 - incorporated in England and Wales
Secretary and Registered Office	Sole Associates Accountants Limited 3 Park Court Pyrford Road West Byfleet Surrey KT14 6SD
Nominated and Financial Adviser	Strand Hanson Limited 26 Mount Row London W1K 3SQ
Broker	Shard Capital LLP 23 rd Floor 20 Fenchurch Street London EC3M 3BY
Auditor	Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD
Solicitors	Gateley plc 1 Paternoster Sq. London EC4M 7DX
Bankers	National Westminster Bank Plc 2 nd Floor 65 Piccadilly London W1A 2PP HSBC Bank Plc Level 6 71 Queen Victoria Street London EC4V 4AY
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Live Company Group plc
CHAIRMAN'S STATEMENT

Welcome to the 2018 Annual Report of Live Company Group plc ("LVCG", "the Company", "the Group") quoted on AIM.

The Strategic Report, set out herein, explains the Company's strategy, business model, risk management processes and provides an overview of current performance and outlook. This is accompanied by a Financial Review from the Chief Financial Officer, together with a report from the Group's auditors.

The Governance Report explains the role and activities of the Board in running the business.

The Group's strategic aim is to build a global children's education and entertainment brand focused on creating environments that encourage interactive play, foster creativity, collaboration and physical experiences in an inclusive and safe environment.

We are extremely proud of the BRICKLIVE brand, including its brand extensions, and we foresee the BRICKLIVE brand continuing to grow globally due to the popularity of the shows, exhibitions, tours and events.

We look forward to continuing to work with our partners, current and prospective, to present the BRICKLIVE brand to audiences worldwide.

I have great pleasure in presenting the Group's Annual Report, Strategic Report, and Financial Statements for the year ended 31 December 2018.

Following the completion of the acquisitions at the end of 2017 to create the Live Company Group, 2018 was a year of significant transformation for the Group.

Key 2018 highlights included:

1. Significant expansion in the number of BRICKLIVE events and shows held during the year;
2. The launch of the BRICKLIVE Animal Paradise show in China. In September 2018 BRICKLIVE Animal Paradise was opened by H.S.H Prince Albert II of Monaco in the prestigious Birds Nest, Beijing;
3. The launch of the BRICKLIVE brand in America with the first BRICKLIVE event subsequently held post year end in January 2019 at The Star in Frisco (Dallas), promoted by Live Nation in partnership with the Dallas Cowboys; and
4. The £8.5 million acquisition of Bright Bricks Holdings Limited ("Bright Bricks") in October 2018, providing the Group with access to one of the world's premier brick model building companies.

2018 saw a significant increase in the number of BRICKLIVE shows and events, with 34 held globally compared to only 18 in 2017, in locations as varied as Birmingham and Glasgow (UK), Turin (Italy), Basel (Switzerland), Bangkok (Thailand), Rosario (Argentina), Seoul (South Korea), Tokyo and Osaka (Japan) and Beijing and Shanghai (China).

The acquisition of Bright Bricks was also an important milestone for the Group, as the Group has now become both a content producer and content provider, with Bright Bricks being the Group's production hub. The acquisition has acted as a spring board for the Group, as it has allowed us to accelerate our growth plans and to take advantage of new and existing opportunities that previously we were not able to fulfil, such as our recent agreement with Nickelodeon UK Limited ("Nickelodeon UK") to produce and create themed tours in the UK and Ireland for some of Nick Jr.'s hit shows.

The Board believes that following the integration of Bright Bricks, the Group is now one of the most significant brick-based companies in the world. The acquisition has also provided the Group with security of supply of bricks, enhanced speed to the market and increased competitive advantage whilst raising barriers to entry.

Our growth plans were boosted further following the £2.2 million equity funding announced in February 2019, with the funds being used to continue the growth of the Group's offering, in particular in respect of expanding the Group's BRICKLIVE Zoo programme, which has and continues to experience significant demand.

As a result of the above, the Group achieved significant growth in 2018:

- 178% increase in revenues from £1,928,000 in 2017 to £5,351,000 in 2018; and
- Net assets increasing from £2,844,000 in 2017 up to £10,627,000 in 2018 as a result of the acquisition.

The Group made an EBITDA profit of £333,000 before exceptional items, discontinued activities and the Bright Bricks Q4 losses (2017 – EBITDA loss of £273,000). The reason for excluding the Bright Bricks Q4 post acquisition loss of £809,000 is that it distorted the trading of the core Brick Live business for the final quarter.

Live Company Group plc
CHAIRMAN'S STATEMENT

Overall the Group's total loss was £2,610,000 (2017: loss £5,440,000). The exceptional items included transactional costs of £1,033,000 which is further explained in Note 7.

I am delighted to report that the Group has made a very good start to 2019 and that it has a strong pipeline, with 46 shows and events already secured in 2019 with an expectation to provide 60 events and shows by the end of the year. As a result and taking into account the Group's ability to secure multi-year contracts for shows, events, activities and corporate builds, as at 31 May 2019, the Group had already secured contracts with a value of £4.0 million for 2019, £1.3 million for 2020 and £0.7 million for 2021. Securing forward sales and multi-year contracts provides us with significant confidence of the short and medium term growth strategy and, together with other revenue streams, our ability to deliver shareholder value.

However, we must not stand still and during 2019, the Group will focus on five key areas to underpin our growth strategy as summarised below, with further details set out in the Strategic Report.

1. Expansion of BRICKLIVE brand in Europe

We are pleased to report that in 2019 the Group has already secured multi-year partnerships with AWC in Germany, Pal Expo in Switzerland and Exhibition Hub in Belgium.

The Group has also taken the strategic decision to self-promote and run the BRICKLIVE show at the NEC in Birmingham, the Group's flagship show. This will be the first year the Group will be responsible for the promotion, management and operation of the NEC Show which is a significant step for the Group.

2. Expansion of the BRICKLIVE brand in America

We have already launched the BRICKLIVE brand in Dallas as well as recently launching BRICKLIVE Animal Paradise in Brookfield Zoo, Chicago. We are also in discussions to bring further BRICKLIVE events and shows to America.

3. Foster relationships with global IP partners across the world

The Group has successfully agreed a multi-year contract with Nickelodeon UK, one of the world's leading children's entertainment brand. The Board believes that this partnership is potentially transformational for the Group.

4. The Group is committed to the expansion and development of a new merchandise range

The Group announced in May 2019 that it had appointed Licensing Management International Limited as the Group's agent in respect of identifying partners for the licensing and merchandising of BRICKLIVE branded merchandise and products to be sold at the Group's BRICKLIVE shows, tours and events. The Board believes that this will provide an additional revenue stream for the Group and is a further diversification of its business.

5. Expansion of the Group's touring business, through the creation of new touring shows/assets

The Group continues to grow its touring portfolio with the creation and recent launch of BRICKLIVE Force in Germany, BRICKLIVE Brickosaurs in Marwell Zoo, BRICKLIVE Ocean in Edinburgh Zoo and BRICKLIVE Outer Space exhibited in a number of cities in the UK.

We continue to invest in staff to ensure the Group has sufficient resources to accommodate its growth strategy. The Group has recently announced that it has adopted a share option scheme for key employees so that staff can share in the growth of the Group.

I would like to thank our Board, who provide invaluable experience and advice. In 2018 we appointed two new Non-Executive Directors, Simon Horgan and Trudy Norris-Grey. Both have a wealth of industry experience that complements the existing Board.

Live Company Group plc
CHAIRMAN'S STATEMENT

The Group has also created an Executive Board that is responsible for the Group's day-to-day operations and the implementation of the Board's strategic plans.

In addition, I must draw your attention to certain related party transactions entered into between myself and the Company, being the Rental Arrangements, Payments and Further Payments (together the "Resolution Transactions"), as detailed in note 31 to these financial statements. The Resolution Transactions were not notified to shareholders, and did not receive Related Party Transaction approval, as required under Rule 13 of the AIM Rules for Companies, at the point in time they were each entered into and, accordingly, it is required that the Resolution Transactions be put to shareholders to vote on at the upcoming Annual General Meeting. I can also confirm that I have volunteered to abstain from voting on the Resolution Transactions at that upcoming Annual General Meeting.

I would like to thank all our production, finance, sales, events and administrative teams for all their hard work during 2018, which was a transformational year for the Group.

Finally, I would personally like to thank all of our shareholders and those who have supported me over the last year and look forward to meeting you in person at our Annual General Meeting on 19 July 2019.



David Ciclitira
Chairman
13 June 2019

STRATEGIC REPORT

2018 was a transformational year in establishing the foundations for the future success of the business. As David set out in his Chairman's Statement, the Group achieved four key highlights during 2018.

For 2019, management has set five key objectives, which will be used as a barometer to measure the Group's success and performance, focusing our attention on key activities to ensure our teams remain concentrated in those areas. We have planted our flag far and wide across the globe and now we remain focused on delivering the following:

1. Extension of BRICKLIVE brand in Europe

In 2019, the Group has already secured multi-year partnerships with AWC in Germany, Pal Expo in Switzerland and Exhibition Hub in Belgium and we aim to continue this expansion programme across Europe.

Our ability to host multiple events and shows at the same time continues to grow as we increase the number of our touring assets. Currently we have 12 tours being exhibited across Europe and the US and this will continue to grow as we continue to expand our asset base. We are also in multiple discussions with existing and new partners for new shows.

The Group has also taken the strategic decision to promote and run the BRICKLIVE show at the NEC in Birmingham, the Group's flagship show. This will be the first year that we will be responsible for the promotion, management and operation of our flagship show, though we believe that, whilst this will result in a greater initial outlay, we will benefit from increased revenue through the receipt of *all ticket and commercial sales for the show, having previously only received a content and licence fee.*

2. Expansion of the BRICKLIVE brand in America

Obtaining a presence in the United States has been a strategic priority for the Group and with our joint partner, Live Nation Entertainment, Inc., we delivered the first BRICKLIVE show in Dallas, Texas in January 2019 and have since launched BRICKLIVE Animal Paradise at Brookfield Zoo, Chicago in May 2019.

Moving forward, together with our US joint venture partner, we will focus on establishing our touring assets in zoos, museums, tourist attractions and other venues, which we believe is the perfect platform to expand our US presence and brand given the risk profile and commercial returns. We will also review opportunities to deliver BRICKLIVE shows and take these forward where the risk profile and commercial return is favourable to the Group.

3. Foster relationships with globally recognised IP partners across the world

Our latest announcement confirms the Group has secured a five year agreement with Nickelodeon UK for the creation of themed tours associated with the Nickelodeon brand, such as PAW Patrol and Nick Jr. tours with the first tour expected to launch in summer 2019.

Historically, we have created our own tours, thanks to the brilliantly creative minds of our design team and builders, though our ambition has always been to achieve this with external world class brands. We are therefore delighted to be working with Nickelodeon UK, the number one children's entertainment brand in the world delivering brick-based tours of their popular show's characters in the UK and Ireland.

The Board believes that securing a five year agreement with an organisation as prestigious as Nickelodeon UK is a truly significant achievement and has the potential to be transformational to the Group.

We will seek to continue this expansion and will look for more partners that complement the BRICKLIVE brand in delivering educational and entertainment experiences.

4. Commitment to the expansion and development of the merchandise range

The Group recently announced it had appointed Licensing Management International Limited as the Group's agent in respect of identifying partners for the licensing and merchandising of BRICKLIVE branded merchandise and products. We are focused on the expansion of our merchandise range for the following reasons:

- It represents an important opportunity to capitalise on a secondary revenue stream whereby we can sell BRICKLIVE merchandise at our events and shows or in venues which exhibit our touring assets such as zoos, museums, tourist attractions venues; and
- The world we live in is about creating moments and experiences that remind us 'I was there', such as a selfie opportunity or purchasing merchandise. We need to ensure we stay ahead of the market and creating and offering merchandise as a reminder of an experience, is key to achieving that outcome, as well as building brand awareness more generally.

5. Expansion of the Group's offering, through the creation of new themed tours and shows

We provide a diverse range of themed tours that come in many shapes and sizes and suit a variety of budgets. Our themed tours can be shown either individually or they can form the centrepiece of one of our shows and are characterised as being:

- Mobile and footloose in nature;
- Flexible in size and can be adapted to meet any venue requirements; and
- Based around fun, exiting and fresh themes and content.

Themed Tours

Our themed tours can be categorised in two ways:

- Very large themed tours that typically consist of between 50 to 80 models which are normally exhibited in significant sized spaces such as zoos, aquariums or other similar scale venues; or
- Small to medium sized themed tours consisting of approximately 15 models, which can be exhibited in a range of high footfall venues such as shopping centres, tourist attractions and other similar sized venues. The benefit of smaller tours is that they tend to be exhibited indoors and are not exposed to seasonal constraints of larger outdoor tours.

Providing tours of varying sizes is extremely important as it increases our ability to source tours for multiple venues. We are constantly expanding and updating our touring range to ensure that our offerings appeal to all audiences including clients, customers, families and fans.

Shows

For BRICKLIVE shows, the Group has entered into licence agreements with partners which has aided the speed of our growth as demonstrated by the multiple partnerships with exhibitors across the world. Going forward, we will look to expand the number of self-promoted and owned shows in key markets through adopting partnership agreements with venues. This provides the flexibility to showcase new concepts and trial new activities at our shows. In 2019, the Group announced the self-promotion of the BRICKLIVE show at the NEC in Birmingham, the Group's flagship show.

The Group also completed a fundraising to facilitate the expansion of the BRICKLIVE Zoo programme in February 2019. The Group has secured contracts with zoos in the UK and had a successful launch in Brookfield Zoo, Chicago, USA in May 2019 and anticipates continued expansion of the BRICKLIVE Zoo touring assets.

Live Company Group plc

STRATEGIC REPORT for the year ended 31 December 2018

2019 looks set to be a very exciting year. With our strategies beginning to come to fruition, which is hugely satisfying, we are now focused on delivering the five objectives which are integral to the growth of the business. We would like to thank our shareholders, partners and other stakeholders for their support and we look forward to a prosperous 2019.

A handwritten signature in black ink, appearing to read 'Andy Smith', with a stylized, cursive script.

Andy Smith
Chief Strategic Officer
13 June 2019

Strategic Framework

OUR ASPIRATION

To become a world-class 'edutainment' brand providing BRICKLIVE events, shows and tours across the world, fostering an education and entertainment experiences through interactive physical play and to become one of the world's largest producers of interlocking brick models and provide memorable experiences.

OUR STRATEGY

In order to deliver the Group's aspiration, the Board remains focused on BRICKLIVE's brand principles, which are based on the foundations of creating an educational and fun experience through physical play for children. We are creating a brand where customers want to repeatedly visit our incredible events and tours. BRICKLIVE's values are:

- Providing educational and fun experiences through physical play;
- Encourage interactive physical play that fosters creativity and innovation;
- Provide an inclusive, collaborative and engaging environment;
- Memorable fun experiences for families and fans; and
- Delivers an entertaining and memorable experience.

We will continuously review all BRICKLIVE experiences and activities to ensure they embody our brand value. We will continuously enhance our show format and content, introducing new interactive features to ensure they appeal to our global audience.

OUR BUSINESS MODEL

Delivering BRICKLIVE 'edutainment' experiences that are memorable for our customers and partners, is integral to underpinning the performance of the Group. We will work with customers and partners to produce incredible bespoke models. We will continue to work with global partners and establish multi-year partnerships that will support the strategic growth of the Group and deliver value for our shareholders.

We will do this through the following core activities which are:

- Content producer of brick-based models and statues;
- Promoting BRICKLIVE events;
- Content provider for BRICKLIVE shows and exhibitions;
- Content provider of BRICKLIVE touring assets; and
- Producer of bespoke corporate commissions.

Business Overview

Live Company Group plc is a live events and entertainment group. The Company was admitted to trading on AIM in December 2017, following the reverse acquisition of Brick Live Group and Parallel Live Group by Live Company Group plc (previously Parallel Media Group plc).

The Group owns the BRICKLIVE brand which is a content provider for brick-based events around the world. LEGO® is a trademark of the LEGO Group of companies and the BRICKLIVE Group is not associated with the LEGO Group of companies. BRICKLIVE is an independent producer of BRICKLIVE events.

Principal Activities

The principal activities during the year ended 31 December 2018 related to providing content for BRICKLIVE shows and events taking place in the UK, South Korea, China, Italy, Japan, Thailand, Argentina, Indonesia, Monaco and Switzerland. The Group hosted 34 shows and events in 2018 (2017:18 shows and events), representing almost a 100% increase from the previous year and is seeking to increase its global footprint with a target of 60 shows and events in 2019.

The Group's strategic aim is to build a global children's education and entertainment brand focused on creating environments that encourage interactive play, foster creativity, collaboration and physical experiences in an inclusive and safe environment. The BRICKLIVE brand is about creating memorable and enjoyable 'live' experiences through physical play.

BRICKLIVE comprises a network of global partners to deliver shows and events around the world including Europe, North America, South America and Asia. The Group has registered the BRICKLIVE brand in multiple jurisdictions and owns the intellectual property rights of sophisticated software used in the detailed design and engineering of models.

In October 2018, the Group completed the acquisition of Bright Bricks, one of the world's premier model building companies. Having built models for Jaguar Land Rover, Rolls Royce, Force India (Formula 1), McLaren, Chiquita and Footlocker, it has also accomplished an impressive seven Guinness World records for its models. Bright Bricks has now been successfully integrated into the Group and is the production hub producing brick-based models for the Group's events, shows and tours. The acquisition of Bright Bricks has resulted in an expansion of the Group's Intellectual Property and capabilities, enhanced speed to market, increased competitive advantage, security over supply of bricks and increased barriers to entry.

BRICKLIVE Brand

BRICKLIVE is the principal brand of the Group. This name was originally associated solely with events based in large arenas or exhibition spaces in the UK, notably the ExCel in London and the NEC in Birmingham. The Group has complemented this large format with a pop-up concept that is able to occupy smaller spaces with the growth of smaller themed Touring shows. Over the last 18 months, the BRICKLIVE brand extensions have grown from the original BRICKLIVE shows format and these include:

- **BRICKLIVE Touring:** A new division created in April 2018 to deliver concepts and content for themed touring events across the globe includes zoos, museums, city centres, business improvement districts and other tourist attractions around the world.
- **BRICKLIVE Kids Cafes:** These are branded BRICKLIVE cafes, featuring a range of play activities including a brick pit, graffiti wall and race tracks as well as family dining and have been launched in South Korea.
- **BRICKLIVE Centres:** Permanent hotel or shopping mall-based fixtures of a play zone of around 100 sqm and launched in South Korea and China.
- **BRICKLIVE Kids:** These are smaller versions of BRICKLIVE Centres, which include permanent childcare creches, offering professionally supervised play areas for children in shopping centres, while parents go shopping.
- **BRICKLIVE Education:** This is a wholly-owned subsidiary of LVCG that has entered an agreement with ImmersiveMinds to develop and enhance educational content for BRICKLIVE shows globally.
- **BRICKLIVE Lite:** The Lite format covers 400 to 1,000 square metres in venues such as shopping malls and hotels for up to 10 days, launched in South Korea.

Business Model

1. WORLDWIDE SHOWS, TOURS & EXHIBITIONS

BRICKLIVE is seeking to become a global brand that is focused on creating educational entertainment experiences through physical play. The Group has rapidly established a presence in Europe, Asia, South and North America and in 2018, 34 BRICKLIVE shows/events were held and in 2019, 46 shows/events have already been contracted to date. The Board is anticipating that there will be approximately 60 shows/events in 2019.

The Group plans to continue investment in the BRICKLIVE touring products to drive long term sustainable growth. The Group is working with partners, exhibition promoters, venues, destination and tourist attractions globally to facilitate this growth strategy.

2. Expansion of BRICKLIVE Assets

Touring

The acquisition of Bright Bricks resulted in the Group's portfolio of assets increasing significantly from one tour prior to acquisition, namely Animal Paradise to nine tours post acquisition, with the addition of eight tours including an additional Animal Paradise, Big Cats, Fantasy Kingdom, Metropolis, Britannia, Safari, Mythical Beasts and Brickosaurs. These tours are exhibited in zoos, aquariums and horticultural societies, town and city centres, Business Improvement Districts (BIDS), museums, tourist attractions and shopping centres.

The Group has continued to expand the number of its touring assets, with BRICKLIVE Zoo programme and the addition of new tours including BRICKLIVE Force, BRICKLIVE Ocean and BRICKLIVE Outer Space. The Board believes that the number of touring assets will increase to 15

by the end of 2019 and to 20 by the end of 2020, further expanding the Group's ability to host multiple shows and events across numerous locations and geographies at the same time.

Bricks and Models

Including the assets acquired as part of the Bright Bricks acquisition, the total value of the Group's models and brick stock as at 31 December 2018 amounted to £9,904,000 (2017: £798,000).

This growth in the Group's fixed assets is significant, and it has enabled us to significantly expand the range of our assets for our shows, events and tours, which continues to attract new partners and customers. The continued investments in growing the number of models we have also enables us to host multiple shows and events at any one time, thereby continuing to grow our revenue potential.

3. Opportunity to work with Partners

The Group is increasing its scale and global reach, improving opportunities to establish worldwide networks with partners in Europe, Asia and North and South America including global IP partnerships, where there are clear synergies with the edutainment industry. More recently, the Group has secured multi-year partnerships with AWC in Germany, Pal Expo in Switzerland and Exhibition Hub in Belgium. The Group is actively progressing new opportunities and potential partnerships for its touring assets.

Our latest announcement confirms the Group has secured a five year agreement with Nickelodeon UK for the creation of themed tours in the UK and Ireland associated with the Nickelodeon brand, including Nick Jr. The first themed tour will be based on PAW Patrol, one of Nick Jr.'s most watched television shows in Europe and America by young children, with the tour expected to feature a collection of 15 models of the show's most popular characters including Ryder, Chase, Marshall and Sky and is expected to launch in summer 2019. The partnership is a significant milestone for the Group and we look forward to working with Nickelodeon UK to develop new tours for other popular Nickelodeon Children's TV shows.

The Group will continue to seek new opportunities to work with partners to deliver the BRICKLIVE brand.

4. Develop revenue streams

For BRICKLIVE shows and events, historically the Group received revenue from content rental and licence fees. However, in April 2019 the Board was excited to announce that the Group will be promoting and running the Group's flagship BRICKLIVE show at the NEC in Birmingham. This will be the first year the Group will be responsible for the promotion, management and operation of the NEC Show and the Board believes that, whilst this will result in a greater outlay for the Group in hosting the NEC Show, the Group expects to benefit from increased revenue through the receipt of all ticket and commercial sales for the NEC Show, having previously only received a content and licence fee.

The Group is also seeking, where appropriate, to move more towards a partnership-based approach to its events, similar to its model for the Monaco shows, whereby the Group provides the content with the exhibitor providing the venue, with the events profits after costs being shared equally as opposed to the Group receiving just a content and licence fee.

The Group will continue to produce touring models which appeal to families and customers. The hugely successful Brickosaurs tour is currently leased to venues until the end of 2020 and there are several other popular tours such as Safari and Fantasy Kingdom which have also secured bookings for 2020. Being able to create and produce popular touring assets of varying sizes that are adaptable to venues is key to underpinning the organic growth and performance of our business, providing sustainable and predictable income.

We continually seek new opportunities to increase and diversify our revenue streams. This includes creating bespoke corporate commissions, which are an excellent marketing tool to launch new products, enhance corporate events and engage customers and new audiences. In addition to this, the Group sells consumer kits at BRICKLIVE events and will work with partners and venues such as zoos where these can be purchased, further developing the revenue opportunities for the business. The Group is also working with Licensing Management International Limited to identify partners for the licensing and merchandising of BRICKLIVE branded merchandise and products to be sold at the Group's BRICKLIVE shows, tours and events, further developing our revenue streams.

Financial Review

Following the creation of the Live Company Group at the end of 2017, 2018 was another year of significant transformation for the Group, with the:

- successful fundraises in January, April and October 2018 to accelerate the Group's growth and;
- acquisition, and subsequent integration, of Bright Bricks for £8.5 million in October 2018.

I would like to take this opportunity to thank all the members of my finance team, without whom this would have not been possible.

An overview of the financial results for the year ended 31 December 2018 is set out below.

Revenue

Revenues from continued and discontinued activities increased 178% in 2018 from £1,928,000 in 2017 to £5,351,000 in 2018. The major driver of this growth can be attributed to the expansion of the Group's activities, with 34 shows and events held in 2018 compared to 18 in 2017, as well as the sale of products and models to our partners.

As a result, the Group grew revenues in each of its target geographical areas during 2018.

Geographical location (£)	2018	2017	% increase
UK	637,000	634,000	0.5%
Europe	1,064,000	440,000	142%
USA	431,000	-	-
South America	107,000	-	-
Asia	3,112,000	854,000	264%
Total	5,351,000	1,928,000	178%

As set out in the Group's interims, following the Group's New York show in February 2018, the Group made the decision to launch the BRICKLIVE brand across the US and to discontinue the LEGO® LIVE brand. Despite the New York show receiving positive reviews and generating revenues of £431,000, it suffered a loss of £500,000 and in accordance with IFRS 5, the show has been classified as a discontinued activity as the Group is no longer operating LEGO® LIVE events. The Group continues to be active in the US and Canada, through Parallel Live and its joint venture with Live Nation Entertainment, Inc., and held its first US BRICKLIVE show earlier this year in Dallas.

On 30 November 2018, the Company announced an agreement with AWC Asia (an agent for AWC AG) to lease Mythical Beasts for three years, commencing end of January 2019. The commencement of this lease and the associated revenues has been mutually delayed until August 2019 as Mythical Beasts is currently being exhibited at the Odysseum in Germany, an AWC AG venue, until the end of June 2019 before being shipped to South Korea to be exhibited from the end of August 2019. Discussions are ongoing with AWC Asia in respect of this matter and it is currently being proposed that after a year, Mythical Beasts will be replaced by one of the Group's other popular touring assets, with the Group anticipating to now receive \$300,000 on a rolling annual basis for the touring assets, as opposed to \$1.3 million up front for the three year lease.

EBITDA

Excluding the loss from the newly acquired Bright Bricks entity, 2018 EBITDA from continuing activities amounted to £333,000 (2017: £273,000 loss).

On completion of the acquisition of Bright Bricks in October 2018, Bright Bricks became the production hub for the Group BRICKLIVE operations. As a result, following completion, all sales were accounted through BRICKLIVE and in the period from completion of the acquisition to 31 December 2018, Bright Bricks recorded an operating loss of £809,000. The Group is pleased to report the integration has been completed successfully.

A reconciliation to total losses for the year is set out below:

For the year ended 31 December	2018 £	2017 £
EBITDA excluding Bright Bricks Q4	333,000	(273,000)
Bright Bricks Q4 loss	(809,000)	-
Depreciation and interest charges	(295,000)	(130,000)
Loss from discontinued LEGO® LIVE show	(500,000)	-
Exceptional items (Note 7)	(1,339,000)	(5,037,000)
Total losses for Group	(2,610,000)	(5,440,000)

EBITDA is also after ongoing Plc headquarter corporate costs for the year amounting to £999,000 (2017: £1,025,000).

Exceptional items

Exceptional items of £1,339,000 relate predominately to transactional costs of, in aggregate, £1,033,000 in 2018 in connection with the strategic acquisition of Bright Bricks and the various fundraises completed during the year. Further details on the exceptional items is set out in Note 7 to the consolidated financial statements.

Loss per share

The loss per share from continuing activities improved to 3.8p (2017: loss 11.3p) as set out in Note 13 to the consolidated financial statements.

Cash flows

The consolidated Statement of Cash Flows is set out on page 43 to these consolidated financial statements.

During 2018 the Group raised a total of £4,950,000 (before expenses) through equity fundraises and secured a loan of £1,000,000 with Riverfort Global Capital Limited ("Riverfort"), which was subsequently drawn in full during Q4 2018. The Group paid cash of £2,167,000 to acquire Bright Bricks with the £833,000 deferred consideration due in October 2019. The deferred consideration will be settled in cash or new Ordinary shares at the vendors discretion.

The remaining funds raised were used to invest in BRICKLIVE Animal Paradise and the creation of other statues and models, and for working capital purposes.

Since the year end the Group has raised further funding for the expansion of its BRICKLIVE Zoo programme and to provide general working capital.

Statements of Financial Position

The consolidated Statement of Financial Position as at 31 December 2018 is set out on page 40 to these consolidated financial statements with the Group's total net assets having increased to £10,627,000 (2017: £2,844,000). The increase in the Group's assets relates predominately to the

consolidation of Bright Bricks for the first time following completion of its acquisition in October 2018. Its total assets includes content assets, being its models, and its brick stock which as at 31 December 2018, in aggregate, amounted to £9,904,000 (2017: £798,000).

Successful trademark applications continue to grow and the costs in connection with acquiring these trademarks amounted to £55,000. The investment in trademarks continues to increase in 2019.

The Company's own Statement of Financial Position recognises the aggregate investments in Bright Bricks (£8,500,000), Brick Live Group (£5,000,000), Parallel Live Group (£1,000,000) and the consideration for the 61.1% of Brick Live Far East ("BLFE") acquired by the Company (£2,950,000). The Directors carried out a formal impairment review of goodwill in the consolidated financial statements and investments in the parent company financial statements and have deemed that no impairment is required at 31 December 2018.

In October 2018, the Company announced it adopted a share option scheme, pursuant to which it would issue up to 6,709,459 options. On 2 April 2019, the Company granted 3,086,346 options to certain Directors and senior management, further information on which is set out in Note 34 to the consolidated financial statements.

Summary

2018 was a year of significant transformation and growth for the Group and we are continuing to invest in our touring models and assets as we build for growth. This momentum has continued in to 2019 and we have made a strong start to the year, with revenue of £4.0 million already booked.



Bryan Lawrie
Chief Financial Officer
13 June 2019

LIVE Company Group Board of Directors

David Ciclitira (Executive Chairman)

During his 35 year career, through his innovative vision, drive and creativity, David Ciclitira has played a significant role in shaping today's satellite broadcasting and sponsorship landscape. David read law at Kings College London and was called to the Bar (Barrister) as a Blackstone Exhibitor before joining the merchant bank Guinness, Mahon & Co.

He was one of the four original shareholders of Europe's first satellite television station, Satellite Television plc ("SATV"), which was renamed SKY following the sale in 1983 of 65% of SATV to Rupert Murdoch's News Corporation. David remained with Sky as Deputy Managing Director until the end of 1986 when he left to found the original Parallel Media Group ("PMG").

In 1987 David founded PMG and in 1998, under David's guidance, PMG entered into a joint venture with NBC for the formation of CNBC Sports International Limited, the international sports broadcasting arm of NBC which was broadcast on its CNBC Europe and CNBC Asia platforms. PMG successfully sold its shareholding in CNBC Sports to NBC in 2004.

David is established as one of the major forces in, and respected member of, the global sports marketing industry. Through his strong personal relationships with the commissioners of various sporting federations, proven marketing skills with sponsors and wide-ranging contacts within the broadcasting world, David has revolutionised the sports marketing strategies of some of the world's leading Federations - taking European Tour golf out of Europe and into South Africa and then Asia (including introducing the first professional golf tournament to China at Mission Hills), re-launching the World Cup of Golf and bringing the event under the wing of the Five Tours, representing the World Nordic Ski Championship on behalf of the FIS, overseeing the sponsorship and broadcast strategies of the Davis Cup, raising sponsorship for the first ever Jordan Formula One team with 7Up, representing the commercial rights of the Ladies European Golf Tour, instigating the commercialisation of the English and Italian Rugby Unions, and creating the Tour of China cycling race.

David has also overseen the marketing strategies for some of the world's leading brands including managing Pepsi's UK music sponsorship strategy for several years, representing Heineken as its global sponsorship agency (creating the pan-European Buckler Basketball Challenge and overseeing their activities in golf, as well as overseeing their sponsorship of the Whitbread Round the World Yacht Race), acting as Omega's sponsorship agency of note, negotiating UBS's title sponsorship of the Hong Kong Open, creating a sports tourism strategy for South Africa at the end of apartheid and launching the Ballantines Championship in Korea for Pernod Ricard. These are to name but a few of the sponsors with whom David has worked.

David's reputation as a leading marketer and dynamic entrepreneur in the Asian marketplace led to the establishment of a joint venture with Live Nation to form Live Nation Marketing Partnership Asia Limited ("LNMPA"). In only two years since its inception, under David's guidance, LNMPA raised many USD millions in funding for a new annual Electronic Daisy Carnival festival in Tokyo.

In May 2016, David invested in Brick Live Group and became its Chairman and its majority shareholder. BRICKLIVE 'Built for LEGO Fans' is an interactive LEGO-based fan event that is currently staged in over 20 cities worldwide. In December 2017, David reversed Brick Live Group and its sister company Parallel Live Group (the organiser of US LEGO-based shows) into Live Company Group plc (LVCG), which is admitted to trading on the AIM market of the London Stock Exchange. David is the current largest shareholder and Executive Chairman of LVCG.

Andrew Smith (Chief Strategic Officer)

Andy joined Brick Live as Managing Director with effect from 1 November 2017 and became an Executive Director of the Company on 27 December 2017. Andrew was previously Director of Events at Multiplay (UK) Limited ("Multiplay"), the gaming services company specialising in online hosting, events management and esports, which is part of Game Digital plc. Prior to joining Multiplay, Andy spent 8 years with the FTSE100 listed Compass Group PLC, with considerable experience in events and commercial operations. Andy is now Executive Chairman of Bright Bricks and Chief Strategic Officer on the Board of Live Company Group Plc.

Bryan Lawrie (Chief Financial Officer)

Bryan started his career in the London office of PKF, heading up the Business Support service team. This followed with a period of providing CFO services on a portfolio basis and then founding CFO Partners in early 2015. Bryan is an experienced interim CFO, working with CEO's and other Board directors advising on both business and financial strategic matters.

Ranjit Murugason (Senior Non-Executive Director)

Ranjit joined the Board of PMG in 2010. Ranjit has over 20 years' experience in strategic advisory, corporate finance and investment banking and capital markets in Europe, Asia, the Middle East and the USA. He is the founder and Managing Director of Urban Strategic, established in London in 2003 and currently headquartered in Singapore. Previously Ranjit served as a Managing Director of the investment banking division of ABN Amro and was a senior advisor to GMR Group, one of India's largest multinational infrastructure businesses.

Simon Horgan (Non-Executive Director)

Following the acquisition of Bright Bricks Simon Horgan has joined the Board of LVCG. He brings a wealth of experience across several industry sectors but most relevant to the future expansion of the business is his knowledge and track record in international exhibition and conference venue management plus event and exhibition portfolio management and development. Simon has been involved in the events and exhibitions sector for over 30 years. For six years he was the CEO of the Abu Dhabi National Exhibition Centre (ADNEC) and was instrumental in the acquisition of London's flagship exhibition venue, ExCel for the ADNEC in a £318 million deal for the Abu Dhabi government. Prior to joining ADNEC Simon was the COO for the National Exhibition Centre in Birmingham.

Trudy Norris-Grey (Non-Executive Director)

Trudy Norris-Grey is a recognised leader in the IT industry, with over 30 years of success spanning global sales, marketing, channel and partner strategies, business development, and portfolio transformation. As AXA's next deputy CEO for its enterprise and global partnerships business, Trudy is focused on digital transformation - including creating, incubating and accelerating new markets and new business models for AXA in service of its customers as their needs evolve and change. Trudy has also held leadership positions at Microsoft, Oracle, Sun Microsystems, and BT.

Serenella Ciclitira (Non-Executive Director)

Serenella (also known as Maria Serena Papi) has an Honours Degree in Art History from Trinity College, Dublin and since 2003 has been an Honorary Fellow at the Royal College of Art, London. She has worked extensively with art galleries and artists around the world. Between 1992 and 2000 Serenella was Group Managing Director of the pan-European satellite broadcaster Super Channel (which later became NBC Europe) from 1998-2016 she was Managing Director of PMG which specialised in sport and music, during this period Serenella was also a Director of CNBC Sport. In 2017 Serenella joined the Board of Live Company Group Plc. Serenella Ciclitira is David Ciclitira's long term partner.

The Executive Board

The Executive Board was created in Q1 2019 and is chaired by the David Ciclitira, the Group's Executive Chairman. The Executive Board is responsible for the day-to-day operations and the development of strategic plans which are considered by the Board. The Executive Board has appointed Simon Horgan and Andy Smith as its Deputy Chairmen. The Executive Board contains additional expertise in production, operations, design services as well global event planning events and meets every 4 to 6 weeks. The Executive Board consists of the following:

Name	Position	Company
David Ciclitira ⁽¹⁾	Executive Chairman	Live Company Group
Simon Horgan ⁽²⁾	Deputy Chairman	Live Company Group
Andrew Smith ⁽³⁾	Deputy Chairman	Live Company Group
Bryan Lawrie ⁽⁴⁾	Chief Financial Officer	Live Company Group
Duncan Titmarsh	Managing Director	Bright Bricks
Ed Diment	Creative Director	Bright Bricks
Ruth Cunningham	Chief Operating Officer	Live Company Group
Sarah Whittaker	Chief Marketing Officer	Live Company Group
Jon Gayton	Chief Operating Officer	Brick Live Group

Notes:

(1) Executive Chairman on the Board of Live Company Group plc

(2) Non-executive Director on the Board of Live Company Group plc

(3) Chief Strategic Officer on the Board of Live Company Group plc

(4) Chief Financial Officer on the Board of Live Company Group plc

Principal Risks and Uncertainties

Market risk

Global markets are subject to a broad range of political, economic, legal, financial and other risks many of which are unpredictable. Having BRICKLIVE events and shows in various continents simultaneously helps to mitigate these risks.

Competition is always a risk to growing businesses. The strategic acquisition of Bright Bricks provides security of supply of bricks and with the trademarks acquired for the BRICKLIVE brand in territories across the world, provides a competitive edge and increases the barriers to entry.

Operational risk

The Group focuses on building specialist models and providing content for shows and events around the world, each BRICKLIVE show and event has to reflect the BRICKLIVE brand values. This presents many operational opportunities and each show is monitored closely and attended by our staff.

All models are carefully designed, from concept to completion using sophisticated engineering software to design the models and we work with our clients and partners prior to installation of the models to ensure the models can be enjoyed in a safe and secure environment.

Extensive time is invested in the logistical operations of events, shows and tours to ensure the time spent transporting the models to venues is minimised and rental period is optimised.

Financial risk

Given the operational risks in the growth of the business, the Group focuses on keeping a strong balance sheet underpinned by the number of models and bricks. Securing forward sales and multi-year contracts provides the Group with significant confidence of the medium-term growth strategy.

The time taken between developing a new concept, building the models and realising revenue can place a strain on any organisation. The Group mitigates this risk by maximising the utilisation of its touring asset during the calendar year as well as seeking to diversify its revenue streams. This ensures the business is well placed with the financial flexibility to invest in new tours as the opportunity arises.

Early Stage of Operations

Despite the significant growth in revenues during 2018 and having only traded as an enlarged group for 16 months in its current form, the Group is still in its early stage of development.

There are several additional operational, strategic and financial risks associated with early stage companies. In particular, the enlarged Group's future growth and prospects will depend on its ability to stay competitive with its pricing, maintain and develop its business and to manage growth and to continue to improve operational, financial and management information and quality control systems on a timely basis, whilst at the same time maintaining effective cost controls. Although the Group is continuing to invest heavily in the development of its content and the pipeline is showing good growth, the development of the enlarged Group's revenues is difficult to predict.

Management of growth

The ability of the enlarged Group to implement its strategy requires effective planning and management control systems. The Group's growth plans may place a significant strain on its management and operational, financial and personnel resources. The Group's growth strategy will need to be managed accordingly.

Exposure to Asia

The Directors consider that a reasonable amount of the Group's revenues will be generated in Asia and, in particular, in China. Investments in Asia involve a broad range of political, economic, legal, financial and other risks, many of which are unquantifiable and/or unpredictable and not necessarily associated with the risks involved in activities in more developed and regulated environments.

Relationship with LEGO®

There is no formal signed agreement with the LEGO® Group of companies in relation to the staging of BRICKLIVE events internationally. LEGO® is a trademark of the LEGO® Group of companies. The Group is not associated with the LEGO® Group of companies and is an independent producer of BRICKLIVE events.

Retention of business

A proportion of Group's revenues are derived from licensee partners. The Group's sales and marketing efforts have expanded and diversified the customer base but the number of license partners is still small therefore relationships will need to be managed effectively.

Management of intellectual property

The ability to protect the Group's intellectual property is of significance. The Group has registered the BRICKLIVE brand in multiple jurisdictions and owns the intellectual property rights of the software that is used in the engineering its models. Operating without infringing the proprietary rights of third parties is an important aspect of the Group's competitive advantage.

Retention of key executives and staff

The Group's development and prospects are dependent upon the continued services and performance of its Directors, senior management and other key personnel. The Board has introduced a long-term share option scheme to motivate, reward and retain management within the business.

Key Performance Indicators ("KPIs")

The primary objectives of the Group in 2018 were to secure the production of content, increase its global presence and increase revenue. The principal internal KPIs revolve around the core objectives

- revenue growth;
- number of models created;
- number of shows and partners globally and;
- asset utilisation;

The first three above are currently being tracked and the asset utilisation metric is in the process of being implemented.

Forward Looking Statement

As discussed in the Chairman's Statement, the Group is focused on continuing to expand the global footprint of its BRICKLIVE events and touring assets internationally and increase recurring revenue.

Particular geographic locations of interest are Europe, America, Asia and the Middle East. The Directors are investing significant time and resources into developing new business in these regions as they have been identified as markets which can deliver growth for the Group.

Role of the Board

The Board's role is to agree the Group's long-term strategy and monitor achievement of its objectives. The Board aims to meet four to six times a year and hold additional meetings as and

when necessary. A full Board pack is prepared and circulated to Board members in advance of each Board meeting.

Shareholders

The Board seeks to protect shareholders' interests by following where appropriate the guidelines in the QCA Corporate Governance Code. The annual general meeting provides the Board with an opportunity to informally meet and communicate with investors.

CORPORATE GOVERNANCE

The Board is fully committed to investing in the management systems and appropriate controls to ensure that the Group's high standard of corporate governance is reflective of the quality of its operations and service.

The Directors recognise the importance of sound corporate governance commensurate with the size and nature of the Company and the interests of its shareholders. The Corporate Governance Code does not apply to companies admitted to trading on AIM and there is no formal alternative for AIM companies.

The Quoted Companies Alliance has published a corporate governance code for small and mid-sized quoted companies, which includes a standard of minimum best practice for AIM companies, and recommendations for reporting corporate governance matters (the "QCA Code"). The Directors comply with the QCA Code to the extent they consider it appropriate and having regard to the size and resources of the Company.

Corporate Governance Report

The Directors recognise the importance of good corporate governance and have chosen to apply the Quoted Companies Alliance Corporate Governance Code (the "QCA Code"). The QCA Code was developed by the QCA in consultation with a number of significant institutional small company investors, as an alternative corporate governance code applicable to AIM companies. The correct application of the QCA Code requires us to apply the principles set out in the QCA Code and also to publish certain related disclosures; these may appear in our Annual Report, be included on our website or we can adopt a combination of the two approaches. Recommended locations for each disclosure are specified in the QCA Code and we intend to follow these from the publication of the Company's Annual Report and Accounts for the year ended 31 December 2018.

The corporate governance framework which the Group operates is based upon practices which the Board considers appropriate for the size, risks and operations of the business

Principle One: Business Model and Strategy

The purpose of the Group is to create and provide content for BRICKLIVE shows, events and exhibitions. The Group has licensee partners and venue operators to promote and operate BRICKLIVE shows, events and exhibitions globally. The Group provides both content and technical support to partners for a license and content fee.

The Group has partners throughout the world including China, Japan, South Korea, Asia, South America, Europe and the United States and is constantly seeking to expand its global network of partners.

The key to the Company's success is to establish strong relationships with reliable licensee partners who have a track record of staging events, and to supply the best quality content to our licensee partners.

Principle Two: Understanding Shareholder Needs and Expectations

The Board is committed to communicating effectively with its shareholders.

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders on a regular basis. Institutional shareholders and analysts have the opportunity to discuss issues and provide feedback at meetings with the Group.

In addition, all shareholders are encouraged to attend the Company's Annual General Meeting and any other General Meetings that are held throughout the year. Investors also have access to current information on the Company through its website, www.livecompanygroup.com.

Principle Three: Stakeholder Responsibilities

The Board recognises the long-term success of the Group is reliant upon the efforts of the employees, contractors, suppliers and regulators. The Board has put in place a range of processes and systems to ensure the Board has oversight and contact with key management.

Employees: Good communication is essential and the management team holds weekly calls to discuss material matters affecting the operations of the business.

Suppliers: the Group engages a number of freelancers to support the team of permanent staff, enabling the business to scale up or down the level of support required at any time. Freelancers are considered an important resource of the business.

Licensee partners: the Group has strong relationships with each of its licensee partners, meeting regularly and working closely to ensure they are provided with the necessary levels of support. Representatives of the Group regularly attend the events and where possible, suggest and provide improvements and enhancements to the events.

Shareholders: the Group communicates regularly with its shareholders, providing information updates using regulatory and non-regulatory news releases, the monthly Group Newsletter, keeping the investor section of the website up to date, and posting regular news updates from shows on the Company's social media channels.

Principle Four: Risk Management

The Group has an established Audit Committee, chaired by Ranjit Murugason. The Audit Committee has responsibility for ensuring the effectiveness of risk management and internal controls on behalf of the Board. During the annual audit process, specific risks are identified and evaluated in detail.

A whistle blowing policy is in place to enable employees to report to the Board, in confidence, any risks or threats to the operations of the business.

The principal risks of the business are set out in the Admission Document published in November 2017, a copy of which is available on the Company's website. The Audit Committee reviews and assesses these risks on an annual basis.

Principle Five: A Well-Functioning Board of Directors

The time commitment formally required by the Group is an overriding principle that each Director will devote as much time as is required to carry out the roles and responsibilities that the Director has agreed to take on.

Biographical details of the Directors are set out within the governance report on pages 19 and 20.

The Executive Directors are employed under service contracts requiring between three and twelve months' notice by either party. Non-Executive Directors and the Chairman are remunerated as part of their letters of agreements.

The Board encourages the ownership of shares in the Company by Executive and Non-Executive Directors alike and in normal circumstances does not expect Directors to undertake dealings of a short-term nature.

The Board considers ownership of Company shares by Non-Executive Directors as a positive alignment of their interest with shareholders. The Board will periodically review the shareholdings of the Non-Executive Directors and will seek guidance from its advisors if, at any time, it is concerned that the shareholding of any Non-Executive Director may, or could appear to, conflict with their duties as an independent Non-Executive Director of the Company or their independence itself. Directors'

emoluments, including Directors' interest in share options over the Company's share capital, are set out in the Directors' Report.

The Board has established an Audit Committee, Remuneration Committee and a Nomination Committee.

Principle Six: Appropriate Skills and Experience of the Directors and a Group Company Secretary

The Board currently consists of seven Directors.

The Board considers that David Ciclitira, who acts as Executive Chairman is best placed to lead and deliver the Group's strategy. David founded the Group in its current form in 2017, and has the necessary skills, expertise and global network of contacts to lead the Group through its next phase of expansion.

The Board of Directors have a diversified skillset, experience and qualities resulting in a well balanced Board to deliver the strategy of the Group. The Group will ensure, where necessary, that all Directors receive the necessary training to keep their skillset up to date.

All Directors have access to the Company Secretary who is responsible for ensuring that Board procedures and applicable rules and regulations are observed.

Principle Seven: Evaluation of Board Performance

The Board intends to carry out an annual evaluation of its performance and effectiveness.

Following Simon Bennett (Independent Non-Executive Director) stepping down from the Board in August 2018, the Company is seeking to appoint an additional Independent Non-Executive Director with relevant plc experience. As a result, it is anticipated that the Group's first Board evaluation will take place following such appointment, and annual evaluations will be conducted thereafter.

Principle Eight: Corporate Culture

The Group recognises its responsibility to be socially responsible and (where possible) contribute to social value, community development, local employment, apprenticeships and training schemes. The Group endeavours to follow sustainable and responsible management practices in protecting the long-term interests of the business, its employees and community stakeholders.

Ethics and human rights: the Group aims to conduct its business with honesty and integrity, respecting human rights and the interests of its employees, partners and third parties. The Group advocates high ethical standards in carrying out its business activities and has policies for dealing with gifts, bribery, corruption, whistleblowing and inside information. The Group does not make political donations, and any charitable donations are made where legal and ethical according to local law and practices.

Relationships with suppliers, partners and contractors: the Group expects its suppliers and partners to adhere to business principles consistent with its own and to implement appropriate policies and codes of conduct. The Group is committed to maintaining positive relationships with its suppliers, partners and contractors.

Child safety and health and safety: we are fully aware of our, and our partners' health and safety and child safety responsibilities. All of our partners are obliged to comply with all local health and safety legislation to ensure the safety of all children attending BRICKLIVE® events.

Our people: The Group has a dynamic team, which is highly valued. The Group has adopted a share incentive scheme for staff to ensure they can participate in the long-term success of the Group.

Local communities: the Group is committed to being a responsible neighbour, with investment in local communities and charitable causes where appropriate. In 2017, a BRICKLIVE Christmas Show was held in the Saatchi Gallery and the Group operated in partnership with several local hospitals to raise funds for their charitable causes.

The Company has adopted a share dealing code for the Directors and applicable employees of the Group for the purpose of ensuring compliance by such persons with the provisions of the AIM rules relating to share dealings in the Company's securities. This particularly applies to the provisions of Rule 21 of the AIM Rules and the Market Abuse Regulation. The Directors consider the share dealing code is appropriate for a Company whose shares are admitted to trading on AIM.

Principle Nine: Maintenance of Governance Structures and Processes

The Chairman has overall responsibility for corporate governance and promoting high standards throughout the Group. He chairs the Board and leads in the development of strategy and setting objectives, *oversees communication between the Company and its shareholders*. The corporate governance framework which the Group operates is based upon practices which the Board considers appropriate for the size, risks and operations of the business. The Board meetings occur at least four times a year and in 2018 there were ten Board meetings.

The Board is amongst other things, responsible for:

- establishing and maintaining the Group's system of internal controls;
- setting strategic objectives and policies for the Group;
- setting annual budgets and monitoring performance against budget;
- the preparation and approval of the Group's annual report and accounts and interim results;
- ensuring the financing needs of the Group are met;
- approving the key terms of any significant contracts and significant expenditure;
- employee welfare; and
- shareholder communications.

The Non-Executive Directors provide a robust sounding board and challenge management where necessary.

The Audit Committee monitors the integrity of financial statements, oversees risk management and internal controls, and reviews the independence of the external auditors. The members of the Audit Committee are: Ranjit Murugason (Chair), David Ciclitira and Serenella Ciclitira. The Audit Committee meetings occur at least twice each financial year and in 2018 met twice.

The Remuneration Committee sets and reviews the remuneration of executive Directors, and is responsible for the implementation of any share-based incentive schemes, including the setting of targets and performance frameworks relating to any such share-based incentive schemes. The members of the Remuneration Committee are: Ranjit Murugason (Chair), Trudy Norris-Grey and Serenella Ciclitira. The Remuneration Committee meetings occur at least twice each financial year and in 2018 met four times.

The Nomination Committee is responsible for succession planning and reviewing the Board composition to ensure the Board has an effective blend of skills and experience. The members of the Nomination Committee are: David Ciclitira (Chair), Ranjit Murugason, Serenella Ciclitira and Simon Horgan. The Nomination Committee meetings occurs as and when required and in 2018 met twice.

The Executive Board retains full control of the Group's operational management but has delegated day to day control to Executive Directors. The Executive Board came into effect in Q1 2019. A full description of the Executive Board is found on page 21.

Principle Ten: Shareholder Communication

The Board is committed to communicating effectively with its shareholders and responds quickly to queries received. The Chairman is primarily responsible for communicating with shareholders and speaks regularly with the Company's major shareholders to ensure that their views are communicated to the Board. The Board attempts to ensure that, where possible, all Directors are present at Company AGMs to meet with and listen to the views of shareholders. To the extent that voting decisions are not in line with expectations, the Board will engage with shareholders to understand and address any issues.

Sustainability Agenda

We are committed to reviewing our environmental policy with regards to plastic consumption. We are proud to produce fantastic models that can be enjoyed by all, the models have a ten year life span although individual bricks can be used for a significantly longer period and be deemed 'bricks for life'.

All 'loose' plastic bricks which can no longer be used in our famous brick pits will be recycled in our fantastic models to avoid unnecessary disposal.

We are proud to be creating touring assets which can be exhibited in zoos across the world. Some of our tours comprise of endangered and/or extinct animals which are not always available to discover in zoos.

In September 2018 we announced the Group and our Partner in China, BRICKLIVE Centre Education Technology (Beijing) Co , Limited entered into a partnership with the H.S.H Prince Albert II of Monaco Foundation to launch BRICKLIVE Animal Paradise in China. We are working with the foundation and our local partner to educate children in China about the need to protect and preserve the environment, endangered species and biodiversity. We have produced a book to support the touring Animal Paradise exhibition and to educate visitors on each animal, explaining their habitat and how we can aid their survival.

We have also donated to our partner charity, the H.S.H Prince Albert II of Monaco Foundation to fund new initiatives to protect and conserve endangered species and biodiversity.

We are a global brand providing content around the world and are therefore conscious of our carbon footprint, which is why we will seek to deliver as many tours and models using sea freight, where practical and possible. Furthermore, we are establishing touring asset collections which will remain in certain geographic regions around the world to ensure transport distances are minimised.

This strategic report was approved by the Board of Directors on 13 June 2019 and signed on its behalf by



David Ciclitira

Chairman

13 June 2019

DIRECTORS' REPORT

Basis of preparation, Forecasts and Assumptions

In accordance with section 414c(11) of the Companies Act 2006, the Directors have chosen to include information about the future developments and principal risks and uncertainties in the Strategic Report.

The financial statements have been prepared on a going concern basis as set out in Note 1.1 to the financial statements, which assumes that the Group will continue in operational existence for the foreseeable future. The Directors have prepared trading and cash flow forecasts for the Group for the period to 31 December 2021.

Branches in the EU

The Group has no branches in the EU.

Dividend

No dividend is recommended in respect of the year ended 31 December 2018 (2017 - £Nil).

Directors

The Directors during the year and their periods of office were as follows.

David Ciclitira	-	Executive Chairman
Andrew Smith	-	Executive Director
Bryan Lawrie	-	Chief Financial Officer (appointed 17 October 2018)
Simon Horgan	-	Non-Executive Director (appointed 1 November 2018)
Ranjit Murugason	-	Non-Executive Director
Trudy Norris-Grey	-	Non-Executive Director (appointed 1 November 2018)
Serenella Ciclitira	-	Non-Executive Director
Simon Bennett	-	Non-Executive Director (resigned 31 August 2018)

Directors' interests in shares

The beneficial interests in the Ordinary share capital of the Company of the Directors in office at 31 December 2018 were as follows:

Director	2018 1p Ordinary shares	2017 1p Ordinary shares
David Ciclitira (and owned companies)*	26,975,815	26,945,047
Serenella Ciclitira*	1,562	1,562
Ranjit Murugason	997,241	797,242
Andrew Smith	7,692	-
Bryan Lawrie	15,384	-
Simon Horgan (held through Horgan Investments Limited)	2,820,512	-
Trudy Norris-Grey	-	-

* *connected persons*

Live Company Group plc
DIRECTORS' REPORT for the year ended 31 December 2018

The number of 1p Ordinary shares or beneficial interest in the 1p Ordinary shares held by David Ciclitira are as follows:

Holder	2018 1p Ordinary shares	2017 1p Ordinary shares	Beneficial interest
David Ciclitira	26,652,849	26,622,081	Held by D Ciclitira directly
Zedra Trustees (Jersey) Limited	206,532	206,532	A discretionary trust, of which D Ciclitira is a potential beneficiary
Luna Trading Ltd	116,434	116,434	A Company held by a discretionary trust, of which D Ciclitira is a potential beneficiary
Serenella Ciclitira	1,562	1,562	Held indirectly by Serenella Ciclitira (long term partner of D Ciclitira)
	26,977,377	26,946,609	

The above table constitutes the David Ciclitira Concert Party.

Substantial Shareholdings

The following investors notified the Directors that they currently hold or are beneficially interested in 3% or more of the Company's 1p Ordinary shares as at 31 May 2019:

	No. of 1p Ordinary shares	% of issued share capital
David Ciclitira and owned companies	27,375,811	38.86%
Reon Kim Concert Parties	10,165,393	14.43%
Clive Norgaard Morton	4,166,667	5.92%
Fortune Access Ltd	3,000,000	4.26%
Simon Horgan (held through Horgan Investments Limited)	2,820,512	4.00%
Ed Diment	2,820,512	4.00%
Duncan Titmarsh	2,820,512	4.00%

Current Director Shareholdings

Set out below are the Directors' interests in the Ordinary share capital of the Company at 31 May 2019 together with details of options and warrants as set out in Notes 26 and 29.

	No. of 1p Ordinary shares	% of issued share capital	No. of warrants	No. of options
David Ciclitira and owned companies*	27,375,811	38.86%	480,765	1,341,891
Serenella Ciclitira*	1,562	0.00%	-	-
Simon Horgan (held through Horgan Investments Limited)	2,820,512	4.00%	-	-
Ranjit Murugason	1,220,317	1.73%	-	-
Andrew Smith	7,692	0.01%	-	670,945
Bryan Lawrie	15,384	0.02%	-	335,472
Trudy Norris-Grey	-	-	-	-

* *connected persons*

Directors' Liability Insurance

During the year, Directors' and officers' liability insurance was maintained for Directors and other officers of the Company as permitted by the Companies Act 2006.

Disclosure of Information to Auditor

In the case of each of the Directors who are Directors of the Company at the date when this report is approved:

- So far as they are individually aware, there is no relevant audit information of which the Company's auditor is unaware; and
- Each of the Directors has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of the information.

Auditor

The Company re-appointed Kingston Smith LLP as auditors for the Company for the financial year 2018. A resolution to re-appoint Kingston Smith LLP will be put to the shareholders at the next Annual General Meeting.

On behalf of the Board



David Ciclitira
Chairman
13 June 2019

Directors' Responsibilities Statement

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

Company law requires the Directors to prepare Group and Company financial statements for each financial year. As required by the AIM Rules of the London Stock Exchange, the Directors have prepared the Group financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and have also elected to prepare the parent Company financial statements in accordance with those standards. 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 the Group and of the profit or loss of the Group for that period.

In preparing these financial statements the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the Group financial statements have been prepared in accordance with IFRSs as adopted by the European Union; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company and the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Opinion

We have audited the financial statements of Live Company Group Plc (the 'parent Company' and its subsidiaries (the 'Group')) for the year ended 31 December 2018, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statements of Financial Position, the Consolidated and Parent Company Statements of Changes in Equity, the Consolidated and Parent Company Statements of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2018 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent Company financial statements have been properly prepared in accordance with IFRS as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Key audit matters

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

Audit area and description	Audit approach
Impairment of Goodwill <p>The consolidated financial statements include goodwill of £4.307m in respect of the acquisition of Parallel Live Group (£1.271m), acquisition of the remaining shares in Brick Live Far East (£2.950m) and the acquisition of Bright Bricks (£0.086m).</p>	<p>We re-performed the calculations of the cost of investment and goodwill arising on the acquisition of Bright Bricks in the year.</p> <p>We assessed the Directors' assertion that no impairment was required in respect of goodwill arising on the acquisitions by reference to trading performance and cash and profit forecasts of the acquired entities.</p> <p>We critically assessed and challenged the assumptions made by the Directors in their preparation of the cash and profit forecasts including an assessment against current year trading to date.</p>
Assessment of Fair Values on Acquisition <p>The acquisition of Bright Bricks included fair value adjustments to the carrying value of content assets included within Property, Plant and Equipment and inventories of £1.180m and £4.997m respectively.</p>	<p>We re-performed the calculation of the fair values made by the Directors.</p> <p>We critically assessed and challenged the assumptions made by the Directors in their calculation of the fair values.</p> <p>We critically assessed whether the fair value adjustments made by the Directors are in accordance with IFRS 3 and IFRS 13.</p>
Discontinued Operations <p>The Directors have classified the ceasing of operations in respect of shows organised by Parallel Live Group subsidiaries, under the LEGO® LIVE trademark, as discontinued operations in the year.</p>	<p>We have re-performed the calculation of revenue and expenses classified within discontinued operations.</p> <p>We considered whether the Directors assertion that the relevant operations can be classified as discontinued operations was appropriate by critically assessing whether the operations meet the criteria as set out in IFRS 5.</p>

Our application of materiality

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

We considered revenue to be the main focus for readers of the financial statements, and this influenced our judgement of materiality. Based on our professional judgement we determined materiality for the Group to be £64,000 based on a percentage of revenue.

We agreed to report to the Audit Committee all audit differences in excess of the threshold that we had calculated as clearly trivial to the financial statements, and any other differences that, in our view, warranted reporting on qualitative grounds. We also reported disclosure matters that we identified when assessing the overall presentation of the financial statements.

An overview of the scope of our audit

Our audit of the Group and parent Company financial statements was scoped by obtaining an understanding of the Group and parent Company and their environment, including Group wide controls, and assessing the risks of material misstatement at the Group and parent Company level. The whole of the Group is audited by one audit team, led by the Senior Statutory Auditor. Our approach in respect of key audit matters is set out in the table in the Key Audit Matters section.

The audit is performed centrally and comprises all of the companies within the Group, significant components of which were visited by the audit team.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the parent Company financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 33, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the parent 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 Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or the parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Use of our report

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 for no purpose other than to draw to the attention of the Company's members those matters which we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the Company and Company's members as a body, for our work, for this report, or for the opinions we have formed.



Matthew Banton (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP, Statutory Auditor

13 June 2019

Devonshire House
60 Goswell Road
London EC1M 7AD

Live Company Group plc

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 December 2018

		Year to 31 December			
		Continuing activities	Discontinued activities	Total	Continuing activities
		2018	2018	2018	2017
	Note	£'000	£'000	£'000	£'000
Revenue	4	4,920	431	5,351	1,928
Cost of sales		(2,662)	(931)	(3,593)	(826)
Gross profit / (loss)		2,258	(500)	1,758	1,102
Administrative expenses					
Foreign exchange		41	-	41	(26)
Depreciation and amortisation of non-financial assets		(24)	-	(24)	(1)
Other administrative expenses		(3,038)	-	(3,038)	(1,466)
Total administrative expenses		(3,021)	-	(3,021)	(1,493)
Operating loss before exceptional items	6	(763)	(500)	(1,263)	(391)
Exceptional items	7	(1,339)	-	(1,339)	(5,037)
Operating loss after exceptional items		(2,102)	(500)	(2,602)	(5,428)
Finance costs	11	(8)	-	(8)	(12)
Loss for the year before tax		(2,110)	(500)	(2,610)	(5,440)
Tax expense	12	-	-	-	-
Loss for the year attributable to the equity holders of the parent Company		(2,110)	(500)	(2,610)	(5,440)
Other comprehensive income		-	-	-	-
Total comprehensive income for the year attributable to the equity holders of the parent Company		(2,110)	(500)	(2,610)	(5,440)
Loss per share					
-basic and diluted	13	(3.8)p	(0.9)p	(4.7)p	(11.3)p

Live Company Group plc

STATEMENTS OF FINANCIAL POSITION as at 31 December 2018

	Note	Consolidated		Company	
		2018	2017	2018	2017
		£'000	£'000	£'000	£'000
Non-current assets					
Property, plant and equipment	14	3,551	798	-	-
Intangible assets	15	50	1	-	1
Investments	16	-	-	17,450	8,950
Goodwill	17	4,307	4,221	-	-
Investments in associates and joint ventures	18	-	-	-	-
Total non-current assets		7,908	5,020	17,450	8,951
Current assets					
Inventories	19	6,491	-	-	-
Trade and other receivables	20	692	1,125	2,510	219
Cash and cash equivalents	21	120	871	2	842
Total current assets		7,303	1,996	2,512	1,061
Current liabilities					
Borrowings	22	1,000	-	1,000	-
Trade and other payables	23	2,612	2,557	1,663	1,645
Accruals and deferred income	23	849	1,603	-	-
Total current liabilities		4,461	4,160	2,663	1,645
Net current assets / (liabilities)		2,842	(2,164)	(151)	(584)
Non-current liabilities					
Deferred tax	25	123	12	-	-
Total non-current liabilities		123	12	-	-
Net assets		10,627	2,844	17,299	8,367
Equity					
Share capital	26	4,754	4,566	4,754	4,566
Share premium	27	18,470	13,695	18,470	13,695
Other reserves		(23,697)	(23,711)	557	557
Merger reserve		14,067	8,651	14,067	8,651
Capital redemption reserve		5,034	5,034	5,034	5,034
Retained earnings		(8,001)	(5,391)	(25,583)	(24,136)
Equity attributable to equity holders of the parent		10,627	2,844	17,299	8,367

As permitted by section 408 of the Companies Act 2006 the parent company's profit and loss account has not been included in these financial statements. The parent company loss for the year was £1,447,000 (2017: £664,000 loss).

The financial statements were approved and authorised for issue by the Board of Directors on 13 June 2019 and were signed on its behalf by:



David Ciclitira
Chairman

Company Registration No. 00630968

Live Company Group plc
STATEMENTS OF CHANGES IN EQUITY for the year ended 31 December 2018

	Ordinary Share Capital	Share Premium	Reverse acquisition reserve	Forex and other reserves	Merger reserve	Capital Redemption reserve	Retained Earnings	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Consolidated								
As at 31 December 2017	4,566	13,695	(24,268)	557	8,651	5,034	(5,391)	2,844
Loss for the year	-	-	-	14	-	-	(2,610)	(2,596)
Shares issued for cash	101	4,848	-	-	-	-	-	4,949
Shares issued as consideration for acquisitions	85	-	-	-	5,416	-	-	5,501
Debt to share conversion	2	153	-	-	-	-	-	155
Share issue costs	-	(226)	-	-	-	-	-	(226)
At 31 December 2018	4,754	18,470	(24,268)	571	14,067	5,034	(8,001)	10,627
Company								
As at 31 December 2017	4,566	13,695	-	557	8,651	5,034	(24,136)	8,367
Loss for the year	-	-	-	-	-	-	(1,447)	(1,447)
Shares issued for cash	101	4,848	-	-	-	-	-	4,949
Shares issued as consideration for acquisitions	85	-	-	-	5,416	-	-	5,501
Debt to share conversion	2	153	-	-	-	-	-	155
Share issue costs	-	(226)	-	-	-	-	-	(226)
At 31 December 2018	4,754	18,470	-	557	14,067	5,034	(25,583)	17,299

Live Company Group plc

STATEMENTS OF CHANGES IN EQUITY for the year ended 31 December 2018

	Ordinary Share Capital £'000	Share Premium £'000	Reverse acquisition reserve £'000	Forex and other reserves £'000	Merger reserve £'000	Capital Redemption reserve £'000	Retained Earnings £'000	Total £'000
Consolidated								
As at 31 December 2016	4,612	8,741	(18,944)	557	-	5,034	49	49
Prior period adjustment	(498)	498	-	-	-	-	-	-
As at 31 December 2016 (restated)	4,114	9,239	(18,944)	557	-	5,034	49	49
Loss for the year	-	-	-	-	-	-	(5,440)	(5,440)
Shares issued for cash	42	1,218	-	-	-	-	-	1,260
Shares issued as consideration for acquisitions	298	-	(5,324)	-	8,651	-	-	3,625
Debt to share conversion	112	3,238	-	-	-	-	-	3,350
At 31 December 2017	4,566	13,695	(24,268)	557	8,651	5,034	(5,391)	2,844
Company								
As at 31 December 2016	4,612	8,741	-	557	-	5,034	(23,472)	(4,528)
Prior period adjustment	(498)	498	-	-	-	-	-	-
At 31 December 2016 (restated)	4,114	9,239	-	557	-	5,034	(23,472)	(4,528)
Loss for the year	-	-	-	-	-	-	(664)	(664)
Shares issued for cash	42	1,218	-	-	-	-	-	1,260
Shares issued as consideration for acquisitions	298	-	-	-	8,651	-	-	8,949
Debt to share conversion	112	3,238	-	-	-	-	-	3,350
At 31 December 2017	4,566	13,695	-	557	8,651	5,034	(24,136)	8,367

Live Company Group plc

STATEMENTS OF CASH FLOWS for the year ended 31 December 2018

	Consolidated		Company	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Cash flows from operating activities				
Operating loss	(1,263)	(391)	(1,018)	(1,585)
Depreciation	365	118	-	-
Amortisation of intangibles - trademarks	5	-	-	-
Impairment provision	1	-	-	-
David Ciclitira commission paid	-	(355)	-	-
Director fees capitalised	-	-	-	220
Increase in inventories	(74)	-	-	-
Decrease / (increase) in receivables	1,074	(20)	(2,290)	(241)
(Decrease) / increase in payables	(3,438)	2,936	(1,089)	1,344
Increase in provisions	30	-	-	-
Cash (used in)/generated from operations	(3,300)	2,288	(4,397)	(262)
Cash flow from investing activities				
Acquisition of trademarks	(55)	-	-	-
Acquisition of subsidiary	(2,167)	-	(2,167)	-
Acquisition of property, plant and equipment	(988)	(740)	-	-
Cash acquired on acquisition of subsidiary	43	-	-	-
Net cash used from investing activities	(3,167)	(740)	(2,167)	-
Cash flow from financing activities				
Issue of equity	4,950	1,260	4,950	1,260
Proceeds from borrowings	1,000	-	1,000	-
Loans repaid	-	-	-	(81)
Interest paid	(8)	(12)	-	(93)
Share issue costs	(226)	-	(226)	-
Net cash generated from financing activities	5,716	1,248	5,724	1,086
Reconciliation impact of reverse acquisition accounting	-	(1,925)	-	-
Net cash (outflow)/inflow	(751)	871	(840)	824
Cash and cash equivalents at beginning of the year	871	-	842	18
Net (decrease)/increase in cash and cash equivalents	(751)	871	(840)	824
Cash and cash equivalents at end of the year	120	871	2	842

1. 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 2018.

The preparation of financial statements in conformity with IFRS requires management 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 to these consolidated financial statements.

1.1 Going concern

These financial statements have been prepared on a going concern basis. The Consolidated Statement of Comprehensive Income shows a loss of £2,610,000 for the year ended 31 December 2018 (2017: £5,440,000 loss). In assessing going concern the Directors consider the Groups cash flows, solvency and liquidity positions.

The Directors have prepared trading and cash flow forecasts for the Group up to and including the year ending 31 December 2021. The forecasts incorporate a number of trading assumptions, including income from existing contracts, and contracts which are in the process of being negotiated. The forecasts show that the Group has sufficient cash to meet its liabilities as they fall due for a period of at least 12 months from the date of signature of these consolidated financial statements.

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

1.2 Adoption of standards effective in 2018

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.

New and Revised Standards

The following standards were implemented in the year but with no material impact on the Group.

- IFRS 9, 'Financial Instruments'
- IFRS 15, 'Revenue from Contracts with Customers'
- 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'

There have been improvements to standards which provide clarifications rather than substantive changes to existing requirements.

IFRS 9 'Financial Instruments' took effect from 1 January 2018 and has been adopted for the year ended 31 December 2018 using the full retrospective method. The Group has reassessed the classification and measurement of financial instruments and this has not given rise to any changes except that financial assets previously classified as "loans and receivables" under IAS 39 are now presented as "financial assets at amortised cost" in the financial statements.

IFRS 15 'Revenue from Contracts with Customers' also took effect from 1 January 2018 and has been adopted for the year ended 31 December 2018 using the full retrospective method. The revenue recognition accounting policy applied prior to adoption of IFRS 15 by the Group is consistent with the requirements of IFRS 15, and therefore adoption of the standard has not affected amounts recognised in the current or comparative periods.

The application of the other revised Interpretations, Amendments and Annual Improvements has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

IFRS in issue but not applied in the current financial statements

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

- IFRS 16 'Leases'
- Amendments to IAS 28 'Long term Interests in Associates and Joint Ventures'
- Amendments to IFRS 10 'Sale or Contribution of Assets between an Investor and its Associate or Joint Venture'

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 16 is a significant change to lease accounting. All leases will require balance sheet recognition of a liability and a right-of-use asset except short term leases and leases of low value. The Group's operating lease liability at 31 December 2018 as detailed in note 32 is £173,000, IFRS 16 will require this amount to be discounted by an estimated cost of borrowings which will result in a right-of-use asset recognised, being the present value of the operating lease payments over the remaining life of the lease, together with a corresponding liability.

2. Accounting policies

2.1. Basis of consolidation

The consolidated financial statements incorporate:

- the results of LVCG, Brick Live Group Limited ("Brick Live Group") and Parallel Live Group Limited ("Parallel Live Group") for the year ended 31 December 2018 and Bright Bricks for the period from acquisition to 31 December 2018; and
- the assets and liabilities of LVCG, Brick Live Group, Parallel Live Group, Bright Bricks and their subsidiary companies at 31 December 2018.

Business combinations

The information contained in this note sets out how the Group typically accounts for Business Combinations, which is effectively using the purchase method explained in IFRS3, "Business Combinations".

The cost of an acquisition is measured as an aggregate of the consideration transferred, measured at the acquisition date fair-value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group measures the non-controlling interest in the acquiree at the proportionate share of the acquiree's identifiable net assets. Subsequent changes in the proportion of the non-controlling interests, which do not result in de-recognition of the subsidiary, are accounted for in equity. Costs incurred in connection with acquisitions are recognised as exceptional costs in the income statement, as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions at the acquisition date.

If the business combination is achieved in stages, the acquisition date fair-value of the Group's previously held equity interest in the acquiree is re-measured to fair-value at the acquisition date through profit or loss. Goodwill is initially measured at cost being the excess of the consideration transferred over the Group's share of net identifiable assets acquired and liabilities assumed.

If this consideration is lower than the fair-value of net assets of the subsidiary acquired, the difference is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any recognised impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to either the acquired business or to each of the Group's cash generating units that are expected to benefit from the combination irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms a part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in these circumstances is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit until retained.

Bright Bricks

In October 2018 and as set out in Note 28, LVCG acquired Bright Bricks and its subsidiaries for a consideration of £8,500,000, comprising consideration of £2,167,000 cash, deferred consideration of £833,333 and 8,461,536 new Ordinary shares in the Company with a nominal value of 1p and a price of 65p per share.

The acquisition of Bright Bricks was accounted for using the purchase method of accounting. Under the purchase method the results of subsidiary undertakings are included from the date of acquisition and the goodwill value is calculated as the difference between the fair value of the consideration and the fair value of the net assets at the date of the acquisition. LVCG's legal investment in Bright Bricks was subject to a formal impairment review by the Directors prior to signing these consolidated financial statements, who concluded that no impairment was required.

The fair value of the consideration was £8,500,000, the fair value of the net assets of Bright Bricks at acquisition were £8,414,335 and therefore a goodwill asset arose relating to this acquisition of £85,665. This goodwill was subject to a formal impairment review by the Directors prior to signing these consolidated financial statements, who concluded that no impairment was required.

Parallel Live Group

On 27 December 2017, the Group acquired Parallel Live Group, resulting in goodwill arising of £1,271,000.

This goodwill was subject to a formal impairment review by the Directors prior to signing these consolidated financial statements, who concluded that no impairment was required.

Brick Live Far East Limited ("BLFE")

On 27 December 2017, the Company became the 100% owner of BLFE. A goodwill asset of £2,950,000 arose on the acquisition. BLFE is a company registered in Hong Kong which owns a 49% stake in the Brick Live Group's China associate company, Brick Live Centre Education Development (Beijing) Company Limited.

This goodwill was subject to a formal impairment review by the Directors prior to signing these consolidated financial statements, who concluded that no impairment was required.

Intercompany balances

All intercompany balances are eliminated on consolidation.

2.2. Trademarks

Trademarks are registered in each of the geographical territories for the BRICKLIVE brand.

Trademarks are amortised over their estimated useful lives, which is on average 10 years.

2.3. Tournament rights

The rights to promote European Tour golf events were acquired in September 2006. These intangible assets were intended to be amortised over their expected life of 20 years.

However, these assets were impaired to a net book value of £1,000 as of 31 December 2017 and to £nil as of 31 December 2018 to reflect the fact that the ongoing business of the Group is not expected to generate revenues from these rights in the foreseeable future.

2.4. Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

2.5. Property, plant and equipment

All property, plant and equipment assets are stated at cost less accumulated depreciation. Depreciation is provided on content over eight years on a straight-line basis to reflect their useful life. Residual values, remaining useful lives and depreciation methods are reviewed annually and adjusted if appropriate.

Content is capitalised in the periods in which they are purchased or completed and valued at the lower of cost and net realisable value.

Depreciation on other fixtures, fittings and office equipment is provided at 20% on a straight-line basis. Residual values, remaining useful lives and depreciation methods are reviewed annually and adjusted if appropriate.

2.6. Impairment of assets

The carrying amounts of the Group's assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the Statement of Comprehensive Income. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

The Directors have carried out a formal impairment review on all material assets at 31 December 2018. Impairment adjustments have been made to the Tournament rights and the BLFE associate investment in Bricklive Centre Education Development (Beijing) Co. Limited as set out respectively in Notes 2.2, 15 and 18 to these consolidated financial statements.

2.7. Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using a weighted average cost method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

2.8. Financial instruments

The Group 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 Group 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 Group is no longer a party to the contractual provisions of the instrument.

2.9. Trade and other receivables

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

A loss allowance is recognised on initial recognition of financial assets held at amortised cost, based on expected credit losses, and is re-measured annually with changes appearing in profit or loss. Where there has been a significant increase in credit risk of the financial instrument since initial recognition, the loss allowance is measured based on lifetime expected losses. In all other cases, the loss allowance is measured based on 12-month expected losses. For assets with a maturity of 12 months or less, including trade receivables, the 12-month expected loss allowance is equal to the lifetime expected loss allowance.

2.10. Cash and cash equivalents

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

2.11. Trade and other payables

Trade and other payables are stated at their amortised cost.

2.12. Interest-bearing borrowings (other than compound financial instruments)

Interest-bearing borrowings are stated at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability.

2.13. Revenue recognition

Revenue is the value of goods and services provided by the Group to customers, net of VAT and discounts. Revenue includes licence fees, revenue from the sale of products, rental fees, sale of content (brick-based statues), brick lease fees and ticket sales from self-promoted events.

Revenue from contracts is recognised in accordance with IFRS 15 as follows:

- (i) Identify the contract with the customer;
- (ii) Identify separate performance obligations in the contract;
- (iii) Determine the transaction price;
- (iv) Allocate the transaction price to separate performance obligations; and
- (v) Recognise revenue when the entity satisfies a performance obligation.

Revenue recognised as above is measured on the following basis:

- (i) Annual licence fees – on a straight-line basis in accordance with the terms of the agreement, unless it is non-refundable in which case fees are recognised on the contractual invoice date;
- (ii) Event licence fees and revenue shares – on the completion of the event in accordance with the terms of the agreement;
- (iii) Content fees – on delivery of the specific content to the client in accordance with the terms of the agreement;
- (iv) Tour and show rental fees – in accordance with the terms of the agreement;
- (v) Brick lease fees – on a straight-line basis in accordance with the terms of the agreement;
- (vi) Ticket sales from self-promoted events – on the date of the event; and
- (vii) Sales of products - in accordance with contract, some of which include a non-refundable up-front payment to reflect the specific design element of the sale.

2.14. Deferred taxation

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 Group 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.

2.15. Segmental reporting

The Group has two operating segments, namely: tours, events, shows, licences and content rental fees; and product and content sales. In identifying these operating segments, management generally follows the Group's service lines representing its main products and services (see note 4).

For management purposes, the Group uses the same measurement policies as those used in its consolidated financial statements, except for certain items not included in determining the operating profit of the operating segments, such as exceptional costs.

In addition, corporate assets and expenses which are not directly attributable to the business activities of any operating segment are not allocated to a segment. This primarily applies to the Group's headquarters.

2.16. Foreign currencies

Monetary assets and liabilities expressed in foreign currencies are translated at the rates of exchange ruling at the reporting date. Transactions in foreign currencies are translated at the rate ruling at the date of the transaction. Differences on exchange arising on translation of subsidiaries are charged directly to other comprehensive income. All other exchange differences have been charged to the Income Statement in the period under review.

2.17. Exceptional items

Exceptional items are those costs incurred by the Group which are considered by the Directors to be material in size and are unusual and infrequent in occurrence which require separate disclosure within the financial statements. See note 7 for details of exceptional items ensuing in the year.

3. Accounting estimates and judgements

The preparation of these consolidated financial statements in accordance with generally accepted accounting practice, 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 these consolidated financial statements. Such estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events.

The significant judgements made by management in applying the Group's accounting policies as set out above, and the key sources of estimation which management consider may have a significant risk of causing a material adjustment to the reported amounts in the year, were:

Impairment of investments and goodwill

The Directors have carried out an impairment review of the Company's £8,500,000 investment in Bright Bricks, £5,000,000 investment in Brick Live Group, £1,000,000 investment in Parallel Live and £2,950,000 investment in BLFE. The Directors determined that no impairment of these investments or related goodwill is required at 31 December 2018.

Depreciation

Depreciation rates have been set to accurately reflect the reduction in value of property, plant and equipment assets over their economic life, less their expected residual value. This requires judgement by the Directors, who have set the depreciation rates as detailed in note 2.5 to

these financial statements based on their knowledge of the industry and typically how long each asset type retains its value.

Revenue recognition

Revenue from contracts is recognised in accordance with IFRS 15. This requires judgement as revenue transactions are subject to a variety of contract terms, albeit under the general guidelines of the accounting policies for revenue recognition as explained in note 2.13 to these consolidated financial statements.

4. Segment reporting

As described in note 1 to these consolidated financial statements, the Directors consider that the Group's internal financial reporting is organised along product and service lines and therefore segmental information has been presented about the Group's business segments. The segmental analysis of the Group's business is derived from its principal activities, as set out below.

Reportable segments

The reportable segment results for the year ended 31 December 2018 are as follows:

	Product and content sales £'000	Tours, events, shows, licences and content rental fees £'000	Unallocated £'000	Continuing Total £'000	Discontinued activities £'000	Total £'000
Revenue	1,575	3,345	-	4,920	431	5,351
Total revenue	1,575	3,345	-	4,920	431	5,351
Cost of sales	1,345	1,317	-	2,662	931	3,593
Administrative expenses	379	1,643	999	3,021	-	3,021
Finance costs	-	-	8	8	-	8
Exceptional items	-	631	708	1,339	-	1,339
Segment (loss)/profit for the year	(149)	(246)	(1,715)	(2,110)	(500)	(2,610)

The reportable segment results for the year ended 31 December 2017 were as follows:

	Product and content sales £'000	Tours, events, shows, licences and content rental fees £'000	Unallocated £'000	Continuing Total £'000	Discontinued activities £'000	Total £'000
Revenues	-	1,928	-	1,928	-	1,928
Total revenue	-	1,928	-	1,928	-	1,928
Cost of sales	-	826	-	826	-	826
Administrative expenses	-	1,193	300	1,493	-	1,493
Finance costs	-	-	12	12	-	12
Exceptional items	-	-	5,037	5,037	-	5,037
Segment (loss)/profit for the year	-	(91)	(5,349)	(5,440)	-	(5,440)

Live Company Group plc**NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 31 December 2018**

Segment assets consist primarily of property, plant and equipment, intangible assets, investments, goodwill, trade and other receivables and cash and cash equivalents.

Unallocated assets comprise deferred taxation, financial assets held at fair value through profit or loss, and derivatives. Segment liabilities comprise operating liabilities; liabilities such as deferred taxation are not allocated to individual business segments.

Segment assets and liabilities as at 31 December 2018 are as follows:

	Product and content sales £'000	Tours, events, shows, licences and content rental fees £'000	Unallocated £'000	Total £'000
Assets	464	10,391	4,356	15,211
Liabilities	1,057	781	2,746	4,584

Segment assets and liabilities as at 31 December 2017 are as follows:

	Product and content sales £'000	Tours, events, shows, licences and content rental fees £'000	Unallocated £'000	Total £'000
Assets	-	7,016	-	7,016
Liabilities	-	4,160	12	4,172

Geographical information

The Group's business segments operated in four principal geographical areas in the year, although they are managed on a worldwide basis from the Group's head office in the United Kingdom.

A geographical analysis of the Group's revenue and non-current assets is given below. Revenue is allocated based on the location of the customer; non-current assets are allocated based on the physical location of the asset.

	2018 £'000	2017 £'000
Revenue		
United Kingdom	637	634
Europe	1,064	440
USA	431	-
South America	107	-
Asia	3,112	854
	5,351	1,928

Non-current assets	2018	2017
	£'000	£'000
United Kingdom	2,819	798
Europe	-	-
USA	535	-
Asia	247	-
Unallocated	4,307	4,222
	7,908	5,020

Major customers

Included within revenue arising from product sales and licence fees are revenues of approximately £1,746,000 (2017: £455,000) which arose from sales to the Group's largest customer.

5. Discontinued activities

In February 2018, Parallel Live promoted its first LEGO® LIVE event in New York, despite receiving positive reviews, it reported a financial loss. The operation has been treated as discontinued as the Group is no longer promoting or operating Lego® Live events.

	2018	2017
	£'000	£'000
Revenue	431	-
Expenses	(931)	-
Attributable tax	-	-
Loss attributable to discontinued activities	(500)	-

6. Operating loss before exceptional items

	2018	2017
	£'000	£'000
This is stated after charging/(crediting)		
Content depreciation (included within cost of sales)	346	117
Other depreciation and amortisation (included within administrative expenses)	25	1
Net foreign exchange (gains)/losses	(41)	26

7. Exceptional items

The exceptional items consist of the following:

	2018	2017
	£'000	£'000
Impairment of associate and intangible assets	111	4,582
Transactional costs	1,033	-
Trade and other payables written back	(436)	-
Exceptional bad debt	631	-
David Ciclitira commission	-	355
Merchandising rights	-	100
	1,339	5,037

2018 Exceptional items

Impairment

Brick Live Far East Limited (BLFE) is a company registered in Hong Kong which owns a 49% stake in the Brick Live Group's China associate company, Brick Live Centre Education Development (Beijing) Company Limited. BLFE invested £110,837 in the associate company and as that associate company incurred losses during the year, the Directors determined that investment should be fully impaired at 31 December 2018.

The rights to promote European Tour golf events were acquired by the Company in September 2006 and were included in the Statement of Financial Position as intangible assets in the consolidated financial statements for the year ended 31 December 2017 at a value of £1,000. These assets were intended to be amortised over their expected life of 20 years. However, the remaining assets were impaired to a net book value of £nil as of 31 December 2018 to reflect the fact that the ongoing business of the Group is not expected to generate revenues from these rights in the foreseeable future.

Transactional costs

Transaction costs relate to the strategic acquisition of Bright Bricks, completed in October 2018, and the various fundraises completed during the year.

Exceptional bad debt

A contract was in place for a minimum contribution from a single European licence partner (the "ELP") during the year that covered the whole of Europe. However, the ELP was unable to provide the intended number of shows during 2018 and as a result, the licence has since been cancelled, with the amounts accrued under the ELP agreement being treated as a bad debt and which have therefore been written off as an exceptional item.

However, the cancellation of the licence has enabled the Group to enter into new agreements with different partners within Europe, that would have been prohibited under the contract with the ELP, which has already allowed the Group to partner with the best placed partners in a number of European geographies, and will also allow it to seek further European partners going forward.

Trade and other payables write back

An agreement was entered into in October 2018 between the Company and James Golf Limited ("JGL"), a company wholly owned by David Ciclitira, pursuant to which JGL agreed to indemnify the Company against all costs and claims or liabilities arising from or directly related to several of the Company's creditor balances, releasing the Group from liabilities of, in aggregate, £436,000. As a result, this amount has been written back.

2017 Exceptional items

Impairment

As a result of the reverse acquisition treatment of the acquisition of Brick Live Group by the Company, notional consideration was applied to the transaction which created a goodwill asset on consolidation of £4,581,166. This goodwill asset was subject to a formal impairment review by the Directors who determined that the fair value of the Company was £nil. As a stand-alone company, it has limited trading activities and generated no revenue in 2017. These factors, combined, resulted in a full impairment of the goodwill at 31 December 2017.

David Ciclitira companies

Prior to the acquisition of Brick Live Group by the Company, David Ciclitira charged £355,000 of commission on related sales made during 2017, in line with his agreement with Brick Live

Group. This contractual agreement was settled by the Company on 22 December 2017 in exchange for £1,000,000 of shares in the Company. This commission was therefore not an ongoing cost in the Company (other than that which would normally be released as part of the deferred revenue balance) and so was treated as exceptional in the year ended 31 December 2017.

Merchandising rights

A company controlled by Mr Hyun Seok Kim agreed to relinquish certain merchandising rights in Asia for a consideration of £100,000, which was settled by the issue of 333,333 new Ordinary shares in the Company in the year ended 31 December 2017.

8. Auditor's remuneration

	2018 £'000	2017 £'000
Fees payable to the auditor, Kingston Smith LLP, for the audit of the annual accounts of the Group, the Company and the Group subsidiaries	70	51
Services relating to taxation	10	10
Corporate finance fees	35	63
Other services	6	-
	121	124

9. Employees

Group	2018 No.	2017 No.
The average number of employees (including Directors not under employment contracts) during the year was:		
Administration	12	5
Production	12	-
Sales	2	-
	26	5
	2018 £'000	2017 £'000
The aggregate payroll costs including Directors not under employment contracts) were:		
Wages, salaries and fees	1,379	394
Social security costs	102	4
	1,481	398

Bright Bricks was acquired in October 2018, therefore figures above relate to the average number of persons employed by the Group (including Directors) during the year.

The Directors' emoluments in 2017 referred to in this note refer solely to the Directors of LVCG. As such, these do not refer back to the 2017 consolidated Statement of Comprehensive Income, which constitutes just Brick Live Group because of the reverse acquisition accounting treatment.

10. Remuneration of Directors and key management personnel

The Directors and the other members of the Executive Board are the key management personnel of the Group. Directors' remuneration and fees, including Non-Executive Directors, during the year were as follows:

	2018 £'000	2017 £'000
David Ciclitira	503	191
Andrew Smith	115	-
Bryan Lawrie (Appointed 17 October 2018)	36	-
Serenella Ciclitira	17	24
Ranjit Murugason	195	185
Simon Bennett (Resigned 31 August 2018)	26	-
Trudy Norris-Grey (Appointed 1 November 2018)	3	-
Simon Horgan (Appointed 1 November 2018)	3	-
	898	400

David Ciclitira	2018 £'000	2017 £'000
UK Chairman's fees	25	-
International consultancy fees	378	191
Bonus in respect of working with international investors to successfully complete the AIM readmission in addition to the work done to acquire Bright Bricks	100	-
	503	191

Ranjit Murugason

Remuneration for Ranjit Murugason was satisfied by the issue of new Ordinary shares. It comprised £20,000 (2017: £150,000) in Non-Executive Director fees, £125,000 (2017: £35,000) of fees for additional services provided in respect of the development and execution of the Bright Bricks acquisition and £50,000 interim fees in respect of completion of the integration of the acquisition of Bright Bricks and additional work undertaken in relation to the closure of the Singapore subsidiaries to the LVCG business. This £50,000 was part of the £100,000 new Ordinary shares issued to Ranjit Murugason as announced on 2 April 2019.

The remaining £50,000 will be charged in the consolidated financial statements for the year ending 31 December 2019, to reflect settlement of the Non-Executive Director fees for the quarter ended 31 March 2019 and the final work in respect of the closure of the Singapore subsidiaries.

Andrew Smith

Andrew Smith's remuneration was £115,000 for the year ended 31 December 2018. £11,000 was earned in respect of his role as Chief Strategic Officer for the Company, £17,000 in his role as Executive Chairman of Bright Bricks Limited and £87,000 in his role as Managing Director of Brick Live International Limited.

All the Directors are covered by Group's Directors' liability insurance policy.

The Directors' emoluments in 2017 referred to in this note refer solely to the Directors of LVCG. As such, these do not refer back to the 2017 Consolidated Statement of Comprehensive Income (which constitutes just Brick Live Group because of the reverse acquisition accounting

treatment); however, the remuneration of all Group directors has been provided for transparency.

Further information on related party disclosures is set out in note 31.

11. Finance costs

	2018 £'000	2017 £'000
Bank interest	-	12
Loan interest	8	-
	<u>8</u>	<u>12</u>

12. Tax

	2018 £'000	2017 £'000
UK Corporation tax in respect of current year:		
Current taxation	-	-
Total tax charge for the year	<u>-</u>	<u>-</u>
Loss on ordinary activities before tax	(2,610)	(5,440)
Loss on ordinary activities at the standard rate of corporation tax of 19% (2017: 19%)	(496)	(1,034)
Effect of:		
Tax losses carried forward	496	1,034
Total tax charge for the year	<u>-</u>	<u>-</u>

13. Earnings per share

The basic earnings per share is calculated by dividing the (loss)/profit attributable to equity shareholders by the weighted average number of shares in issue during the year. In calculating the diluted earnings per share, any outstanding share options, warrants and convertible loans are taken into account where the impact of these is dilutive.

	2018 £'000	2017 £'000
Loss for the year after tax	(2,610)	(5,440)
Loss for the year on continuing operations	(2,110)	(5,440)
Loss for the year on discontinuing operations	(500)	-
Weighted average number of shares in issue	55,560,444	48,207,793
Basic and diluted earnings per share on total operations*	(4.7p)	(11.3p)
Basic and diluted earnings per share on continuing operations*	(3.8p)	(11.3p)
Basic and diluted earnings per share on discontinued operations*	(0.9p)	-

* Diluted earnings per share in both 2018 and 2017 are the same as basic earnings per share, as there are no dilutive options in issue during these years.

Live Company Group plc

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 31 December 2018

14. Property, plant and equipment

	Group		Company	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Cost				
Cost at start of year	920	182	-	-
Additions for year	988	738	-	-
Acquisition of subsidiary	2,668	-	-	-
Reclassification of bricks to inventories	(623)	-	-	-
	3,953	920	-	-
Depreciation				
Cumulative depreciation at start of year	122	4	-	-
Charge for year	365	-	-	-
Cumulative depreciation on brick inventories reclassification	(85)	118	-	-
	402	122	-	-
Net book value at end of year	3,551	798	-	-
Net book value at start of year	798	178	-	-

The majority of the 2017 and 2018 additions relate to content in the form of themed tour assets for long term use within the Group's business.

15. Intangible assets

	Group				Company			
	Trademarks		Tournament rights		Trademarks		Tournament rights	
	2018	2017	2018	2017	2018	2017	2018	2017
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost								
Cost at start of year	-	-	2,713	-	-	-	2,713	-
Deemed acquisitions as a result of reverse acquisition accounting	-	-	-	2,713	-	-	-	2,713
Additions in the year	55	-	-	-	-	-	-	-
	55	-	2,713	2,713	-	-	2,713	2,713
Amortisation and impairment								
Cumulative amortisation at start of year	-	-	2,712	-	-	-	2,712	-
Cumulative amortisation on acquisitions as a result of reverse acquisition accounting	-	-	-	2,712	-	-	-	2,712
Impairment and amortisation during the year	5	-	1	-	-	-	1	-
	5	-	2,713	2,712	-	-	2,713	2,712
Net book value at end of year	50	-	-	1	-	-	-	1
Net book value at start of year	-	-	1	-	-	-	1	-

Trademarks

Trademarks are obtained for each show in each jurisdiction around the world. Trademarks are amortised over their estimated useful lives, which is on average 10 years.

Tournament rights

Tournament rights are the rights to promote European Tour golf events acquired in September 2006. These intangible assets are carried at cost less amortisation. Amortisation was initially calculated to write off the assets over their expected useful life of 20 years however, the Directors undertook an impairment review regarding the value of the Tournament rights in 2018 which resulted in a write down to £nil to reflect the fact that the ongoing business of the Group is not expected to generate revenues from these rights in the foreseeable future.

16. Investments

	Group		Company	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Cost				
Cost at start of year	-	-	8,950	-
Additions in the year	-	-	8,500	8,950
Cost at end of year	-	-	17,450	8,950
Impairment				
At start of year	-	-	-	-
Impairment in the year	-	-	-	-
At end of year	-	-	-	-
Net book value at end of year	-	-	17,450	8,950
Net book value at start of year	-	-	8,950	-

The carrying value of investments are in respect of Brick Live Group £5,000,000 (2017: £5,000,000), Parallel Live Group £1,000,000 (2017: £1,000,000), Brick Live Far East Limited £2,950,000 (2017: £2,950,000) and Bright Bricks £8,500,000 (2017: £nil).

17. Goodwill

	Group		Company	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Cost				
Cost at start of year	8,802	-	-	-
Additions in the year	86	8,802	-	-
Cost at end of year	8,888	8,802	-	-
Impairment				
At start of year	4,581	-	-	-
Impairment in the year	-	4,581	-	-
At end of year	4,581	4,581	-	-
Net book value at end of year	4,307	4,221	-	-
Net book value at start of year	4,221	-	-	-

Live Company Group plc**NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 31 December 2018**

In 2017, £4,581,000 goodwill was created on the reverse acquisition of LVCG by Brick Live Group, as detailed in note 2.1 to these consolidated financial statements. The goodwill was fully impaired in the year ended 31 December 2017.

In 2017, the Group acquired Parallel Live Group, resulting in goodwill of £1,271,000, and £2,950,000 for the acquisition by LVCG of the remaining shares in BLFE not already owned by Brick Live Group.

In 2018, the £86,000 of goodwill was created on the acquisition of Bright Bricks as detailed in note 28.

The net book value of £4,307,000 (2017: £4,221,000) relates to £2,950,000 (2017: £2,950,000) for the acquisition by LVCG of BLFE, £1,271,000 (2017: £1,271,000) for the acquisition of Parallel Live and £86,000 (2017: £nil) for the acquisition of Bright Bricks. A formal impairment review has been carried out on these carrying values and the Directors have determined that that no impairment of goodwill is required at 31 December 2018. This is explained further in note 3.

18. Investments in Associates and Joint Ventures

In July 2017, BLFE entered into a long-term agreement with Fortune Access, to create a limited liability foreign enterprise company in China called BRICKLIVE China. BLFE agreed to invest 980,000 RMB (approximately £112,000) for a 49 % shareholding in BRICKLIVE China. At the year end, £110,000 had been invested by BLFE in the associate.

The results of the Associate to the year are:

	2018 £'000	2017 £'000
Turnover	2,554	-
Loss before tax	(251)	(64)
Taxation	-	-
Loss after tax	(251)	(64)

On the basis of the above performance, the investment in the associate company was impaired to £nil at 31 December 2018. This impairment has been disclosed as an exceptional item as detailed in note 7.

In September 2018, Parallel Live Group signed a joint venture agreement with US-based Company Three Six Zero, forming the new company Parallel Three Six Zero Inc. It has been granted exclusive rights by Parallel Live Group to promote BRICKLIVE events in North America and Canada with Brick Live International Limited as its content provider.

Trading in the joint venture commenced in January 2019.

19. Inventories

	Group		Company	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Inventories of bricks	6,491	-	-	-

Inventories include bricks reclassified from property, plant and equipment as detailed in note 14.

20. Trade and other receivables

	Group		Company	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Trade receivables	512	359	-	-
Amounts owed by subsidiaries	-	-	2,500	143
Other receivables	77	209	-	76
Prepayments and accrued income	103	557	10	-
	692	1,125	2,510	219

At 31 December 2018 all amounts included under trade and other receivables are due within one year. The Group has not recognised an allowance against trade receivables as there has not been a significant change in credit quality.

Amounts owed by subsidiaries are considered interest free and repayable on demand.

21. Cash and cash equivalents

	Group		Company	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Cash at bank	120	871	2	842

22. Borrowings

	Group		Company	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Loan	1,000	-	1,000	-

The loan was drawn down in full during Q4 2018, has a one-year term and interest is charged at a flat rate of 9% per annum on the amount advanced.

The loan may be extended, by mutual agreement, for a further six months on similar terms. Additionally, the Company may make early repayment of the full facility together with the full annual interest premium. A further update is contained within the post balance sheet events note 34.

23. Trade and other payables

	Group		Company	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Trade payables	1,134	2,172	514	1,112
Amounts owed to subsidiaries	-	-	40	6
Other payables	1,132	359	965	353
Other taxation and social security	346	26	-	-
Accruals and deferred income	849	1,603	144	174
	3,461	4,160	1,663	1,645

Amounts owed to subsidiaries are unsecured, interest free and repayable on demand.

24. Financial risks

The Group and Company operations expose them to a number of financial risks. The Directors aim to protect the Group and Company against the potential adverse effects of these financial risks.

Financial assets

Financial assets include cash and trade and other receivables (excluding prepayments) which are classified as "loans and receivables"; and equity investments (excluding investments in subsidiaries and associate investments). These amounts, where appropriate, have been shown separately on the face of the statement of financial position. Funds not immediately required for the Group and Company's operations are invested in bank deposits. It is the Directors' opinion that the carrying values of cash, trade receivables and investments approximate to their fair values.

Financial liabilities

Financial liabilities include current and non-current borrowings, convertible loans and trade and other payables (excluding: taxation and social security, and deferred income). All amounts are carried at amortised cost. These amounts have been disclosed in the notes to the financial statements. It is the Directors' opinion that the carrying values of financial liabilities approximate to their fair-value.

Liquidity risk

The Group and Company's surplus liquid resources are maintained on short-term interest-bearing deposits. The Group and Company plans to continue to meet operating and other loan commitments as they fall due. Liquidity risk is managed through cash flow forecasts and regular planning.

Set out below are liquidity risk comparative tables as at 31 December 2018 and 31 December 2017.

Remaining contractual maturities year ended 31 December 2018

Group	Within 3 months	> 3 months < 1 year	> one year < 5 years	Total carrying amount
	£'000	£'000	£'000	£'000
Bank loans and borrowings	-	1,000	-	1,000
Trade and other payables	1,687	833	-	2,520
	<u>1,687</u>	<u>1,833</u>	<u>-</u>	<u>3,520</u>
Company	Within 3 months	> 3 months < 1 year	> one year < 5 years	Total carrying amount
	£'000	£'000	£'000	£'000
Bank loans and borrowings	-	1,000	-	1,000
Trade and other payables	825	833	-	1,658
	<u>825</u>	<u>1,833</u>	<u>-</u>	<u>2,658</u>

Remaining contractual maturities year ended 31 December 2017

Group	Within 3 months	> 3 months < 1 year	> one year < 5 years	Total carrying amount
	£'000	£'000	£'000	£'000
Bank loans and borrowings	-	-	-	-
Trade and other payables	3,033	-	-	3,033
	<u>3,033</u>	<u>-</u>	<u>-</u>	<u>3,033</u>
Company	Within 3 months	> 3 months < 1 year	> one year < 5 years	Total carrying amount
	£'000	£'000	£'000	£'000
Bank loans and borrowings	-	-	-	-
Trade and other payables	1,645	-	-	1,645
	<u>1,645</u>	<u>-</u>	<u>-</u>	<u>1,645</u>

The trade and other payables figures above exclude taxation and deferred income.

Credit risk

Financial assets past due but not impaired as at 31 December 2018:

	Not impaired and not due	Not impaired but past due by the following amounts			>120 days
		>30 days	>60 days	>90 days	days
	£'000	£'000	£'000	£'000	£'000
Group: Trade and other receivables	589	-	-	-	-
Company: Trade and other receivables	-	-	-	-	-

Financial assets past due but not impaired as at 31 December 2017:

	Not impaired and not due	Not impaired but past due by the following amounts			>120 days
		>30 days	>60 days	>90 days	days
	£'000	£'000	£'000	£'000	£'000
Group: Trade and other receivables	489	24	-	-	55
Company: Trade and other receivables	219	-	-	-	-

The trade and other receivables figures above exclude prepayments and accrued income.

Group trade and other receivables excluding prepayments and accrued income as at 31 December 2018 were £589,000 (2017: £568,000), all of which are not impaired. All remaining trade and other receivables as at 31 December 2018 are collected and/or collectable and are considered of low credit risk. All bank deposits are maintained in the United Kingdom and are low credit risk.

Live Company Group plc

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 31 December 2018

Market risk

(a) Interest rate risk

The Group had one loan at the year end (2017: None). The interest rate is fixed and the loan repayable within one year. This risk is therefore considered to be insignificant.

(b) Foreign currency risk

Although the Company is based in the United Kingdom a significant part of the Group's and Company's operations are overseas, and the operating or functional currency of a large part of the Asian business is in US Dollars or Euros. As a result, the Group's sterling accounts can be affected by movements in the US Dollar/Sterling and the Euro/Sterling exchange rates.

The foreign assets and liabilities of the Group and Company are closely matched as at 31 December 2018. The table below sets out the carrying amounts of assets and liabilities for the Group in their presentational currency (i.e. Sterling) and a total impact for each 10% fluctuation in exchange rates. Based on the carrying amounts of foreign assets and liabilities as at 31 December 2018, for each 10% fluctuation in exchange rates, net assets are expected to be impacted by £30,000 (2017: £177,000).

Year ended 31 December 2018

Carrying amount (sterling equivalent)	£ '000	\$ '000	€ '000	HK\$ '000	KRW '000	Carrying Amount £'000	Forex Risk (-10%) £'000	10% £'000
Financial assets								
Cash	61	36	23	-	-	120	6	(6)
Trade receivables	229	260	23	-	-	512	28	(28)
Total financial assets	290	296	46	-	-	632	34	(34)
Financial liabilities								
Borrowings	1,000	-	-	-	-	1,000	-	-
Trade payables	826	267	41	-	-	1,134	(31)	31
Other payables	1,132	-	-	-	-	1,132	-	-
Other taxation and social security	346	-	-	-	-	346	-	-
Accruals and deferred income	521	328	-	-	-	849	(33)	33
Total financial liabilities	3,825	595	41	-	-	4,461	(64)	64
Net Impact							30	(30)

Year ended 31 December 2017

Carrying amount (sterling equivalent)

	£ '000	\$ '000	€ '000	HK\$ '000	KRW '000	Carrying Amount £'000	Forex Risk (-10%) £'000	10% £'000
Financial Assets								
Cash	871	-	-	-	-	871	-	-
Trade receivables	-	359	-	-	-	359	36	(36)
Total financial assets	871	359	-	-	-	1,230	36	(36)
Financial Liabilities								
Borrowings	-	-	-	-	-	-	-	-
Trade payables	1,067	1,018	24	1	62	2,172	(110)	110
Other payables	359	-	-	-	-	359	-	-
Other taxation and social security	26	-	-	-	-	26	-	-
Accruals and deferred income	576	1,027	-	-	-	1,603	(103)	103
Total financial liabilities	2,028	2,045	24	1	62	4,160	(213)	213
Net Impact							(177)	177

25. Deferred tax

The Group carries a net deferred tax liability at 31 December 2018 of £86,000 (2017: asset of £10,000). The £123,000 (2017: £12,000) deferred tax liability shown in the consolidated Statement of Financial Position is set off by a £37,000 (2017: £22,000) asset included in other receivables. Due to the availability of UK tax losses, subject to agreement with the HMRC, there is an estimated deferred tax asset of £4,461,000 (2017: £4,344,000). This is not recognised due to the uncertainty of the timing of future taxable profits against which these losses could be utilised.

There were no deductible temporary differences or unused tax credits at either 31 December 2018 or 31 December 2017. There were no amounts of deferred tax recognised in the Statement of Comprehensive Income for either the year ended 31 December 2018 or for the year ended 31 December 2017.

26. Share capital

The issued share capital is set out in the table below:

	2018		2017	
	No. of shares	£'000	No. of shares	£'000
Issued and fully paid				
Ordinary shares of 1p	67,094,595	671	48,207,793	483
Deferred shares of 51.8p	2,047,523	1,060	2,047,523	1,060
Deferred Ordinary shares of 0.5p	199,831,545	999	199,831,545	999
Deferred B shares of £19.60	103,260	2,024	103,260	2,024
Total		4,754		4,566

The changes in the year to 1p Ordinary shares, relating to the various capital transactions during the year were as follows:

Live Company Group plc

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 31 December 2018

Share Capital	2018		2017	
	No. of shares	£'000	No. of shares	£'000
Ordinary shares of 1p				
At start of year	48,207,793	483	3,009,233	30
Consideration for acquisition of Brick Live Group	-	-	16,666,667	167
Consideration for acquisition of Parallel Live Group	-	-	3,333,333	33
Consideration for acquisition of BLFE	-	-	9,832,060	98
Consideration for acquisition of Bright Bricks	8,461,536	85	-	-
Share placing December 2017	-	-	4,200,000	42
Share placing January 2018	4,571,425	45	-	-
Share placing April 2018	1,000,000	10	-	-
Share placing October 2018	4,615,381	46	-	-
Capitalisation of David Ciclitira loans	-	-	6,766,667	68
Capitalisation of Ranjit Murugason outstanding fees	192,307	2	616,500	6
Capitalisation of consultant fees	46,153	-	-	-
Capitalisation of Simon Bennett outstanding fees	-	-	116,667	1
Purchase of David Ciclitira commission contract	-	-	3,333,333	35
Merchandising rights	-	-	333,333	3
At end of year	67,094,595	671	48,207,793	483

Deferred shares

The Company has 2,047,523 Deferred shares of 51.8p each and 199,831,545 Deferred Ordinary shares of 0.5p each (together the "Deferred shares") in issue. The Company also has 103,260 Deferred B shares in issue.

The Deferred shares have the following rights and restrictions. They shall:

- Not entitle their holders to receive any dividend or other distribution;
- Not entitle their holders to receive notice of or to attend, speak or vote at any General Meeting of the Company by virtue of or in respect of their holding of such Deferred shares and;
- Entitle their holders on a return of assets on a winding-up of the Company or otherwise only to the repayment of the capital paid up on such Deferred shares and only after repayment of the capital paid up on each Ordinary share in the capital of the Company and the payment of a further £100,000 on each such Ordinary share.

The holders of the Deferred shares shall not be entitled to any further participation in the assets or profits of the Company. Notwithstanding any other provision of these Articles and unless specifically required by the provisions of the Act, the Company shall not be required to issue any certificates in respect of the Deferred shares. The Company shall have irrevocable authority at any time:

- to appoint a person on behalf of any holder of Deferred shares to enter into an agreement to transfer, and to execute a transfer of, the Deferred shares, for no consideration, to such person (whether or not an officer of the Company) as the Directors may determine as the custodian thereof;
- to purchase all the Deferred shares then in issue in consideration of an aggregate payment of one penny for all of such shares then redeemed and upon giving 28 days' prior notice to the holders of Deferred shares as to be redeemed fixing a time and place for redemption; and

- c. in the event of any transfer, purchase or redemption to retain any share certificate relating to such shares. If any Deferred shares are purchased or redeemed as aforesaid, the relevant amount of authorised but unissued share capital arising may be redesignated by the Directors as Ordinary share capital.

Neither the passing by the Company of any special resolution for the cancellation of the Deferred shares for no consideration by means of a reduction of capital requiring the confirmation of the Court nor the obtaining by the Company nor the making by the Court of any Order confirming any such 103 reduction of capital nor the becoming effective of any such Order shall constitute a variation, modification or abrogation of the rights attaching to the Deferred shares and accordingly the Deferred shares may at any time be cancelled for no consideration by means of a reduction of capital effected in accordance with the Act without sanction or consent on the part of the holders of the Deferred shares.

27. Share premium

	2018 £'000	2017 £'000
At start of year	13,695	9,239
Premium arising on issue of equity shares	4,848	4,456
Debt to share conversion	153	-
Share issue costs	(226)	-
At end of year	18,470	13,695

28. Acquisitions

The Company purchased the whole share capital of Bright Bricks Holdings Limited in October 2018, the asset values of which were as follows:

	Book value of assets acquired £'000	Fair value adjustments £'000	Fair Value of assets acquired £'000
Tangible assets	1,488	1,180	2,668
Stock of bricks	882	4,997	5,879
Cash and cash equivalents	43		43
Other assets and liabilities	(176)	-	(176)
Goodwill	-	-	86
Total consideration	2,237	6,177	8,500
Satisfied by:			
Cash			2,167
Deferred consideration			833
Equity instruments (8,461,536 Ordinary shares of parent Company)			5,500
			8,500

29. Share based payments

There were no share options outstanding at 31 December 2018 (2017 - nil) and therefore there was no weighted average exercise price (2017 - nil). No options were exercised during the year. A share option scheme was adopted on 2 April 2019.

Live Company Group plc**NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 31 December 2018****Share warrants**

On 17 October 2018, in accordance with the loan agreement, the Company issued to the lender, 356,923 warrants to subscribe for Ordinary shares. The warrants have an exercise price of 81.25p per share and may be exercised for a period of three years from issue.

Share based payments measured directly

During the year ended 31 December 2018 no share-based payments were granted (2017: £nil).

30. Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns to shareholders and benefits for other stakeholders. The Group had net assets of £10,627,000 at 31 December 2018 (2017: £2,844,000). The Group's capital management strategy is to retain sufficient working capital for day to day operating requirements and to ensure sufficient funding is available to meet commitments as they fall due and to support growth.

	31 December 2018 £'000	31 December 2017 £'000
Loan facility	(1,000)	-
Total Debt	(1,000)	-
Cash	120	871
Net (debt)/funds	(880)	871

In order to maintain or adjust the capital structure the Group may issue new shares or sell assets to reduce debt.

31. Related parties

Details of the Directors' remuneration and consultancy fees are disclosed in note 10 and share options granted to Directors are disclosed in the Directors Report. In the opinion of the Board, only the Directors of the Company and the other members of the Executive Board, as detailed in the Corporate Governance Report, are regarded as key management personnel. The remuneration of key management personnel during 2018 was, in aggregate, £899,000.

David Ciclitira

In addition to the above, David Ciclitira received further payments during the relevant periods as set out below:

Live Company Group plc

The Group entered into certain arrangements with David Ciclitira, pursuant to which he receives a rental fee of £3,000 per month plus reasonable expenses for the use of his London, UK property, as an ad-hoc office for the Group when required, together with certain fees whenever members of the Group stay at his overseas properties on business (together the "Rental Arrangements"). The Company would note that the Group has no London offices. The Rental Arrangements commenced in January 2018 following completion of the acquisitions in December 2017 and in respect of the year ended 31 December 2018, the Group paid David Ciclitira a fee of, in aggregate, £55,000 under the Rental Arrangements.

In addition, David Ciclitira made certain payments on behalf of the Group in July, August and October 2018 amounting to, in aggregate, approximately £218,000 (the "Payments"), (2017: £60,000) which were then repaid to David Ciclitira. In respect of the Payments, the Company paid David Ciclitira an arrangement fee equal to 7% of the Payments, being approximately £15,000 and interest was charged at a rate of 9% per annum on the outstanding balances, amounting to £5,000. (2017: £nil)

David Ciclitira also made various other payments on behalf of the Group in December 2018 (£24,000) and January 2019 (£102,000) for, in aggregate, £126,000 (the "Further Payments"). No arrangement fee or interest is due on the Further Payments and they have been repaid in full.

Furthermore, an agreement was entered into in October 2018 between the Company and James Golf Limited ("JGL"), a company wholly owned by David Ciclitira, pursuant to which JGL agreed to indemnify the Company against all costs and claims or liabilities arising from or directly related to several of the Company's creditor balances, releasing the Group from liabilities of, in aggregate, £436,000.

Other payments made included:

- business expenses and healthcare costs of £23,000 (2017 - £58,000);
- £nil (2017: £53,000) of amounts invoiced by Parallel Contemporary Arts, a company wholly owned by David Ciclitira;
- £nil (2017: £1,000,000) in respect of settling his ongoing commission arrangement with Brick Live Group;
- £nil (2017: £70,000) provision has been made in the Company balance sheet for a contribution towards the costs of liquidating the subsidiary companies sold to James Golf Limited on 22 December 2017;
- £nil (2017: £89,000) repayment of interest incurred in relation to Company loans;
- £nil (2017: £43,000) of sponsorship of START (a business venture owned by David Ciclitira).

Brick Live Group Limited

As at 31 December 2017, £30,000 of commission was awarded to David Ciclitira and included in deferred expenses. During 2018, that commission was released to the Statement of Comprehensive Income of Brick Live Group.

During the year ended 31 December 2017, David Ciclitira's commission in Brick Live Group was £355,000 together with further expenses of £46,000. A total of £401,000.

Brick Live International Limited

As at 31 December 2017, £212,500 of commission was awarded to David Ciclitira and included in deferred expenses. During 2018, that commission was released to the Statement of Comprehensive Income of Brick Live International Limited.

Therefore, total amounts paid to David Ciclitira for the year ended 31 December 2018 for the whole Group were £863,000 (2017: £1,965,000).

Total amounts owed to David Ciclitira and entities under his control at 31 December 2018 were £nil (2017: £355,000).

Live Company Group plc

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 31 December 2018

Ranjit Murugason

As at 31 December 2018, a balance of £50,000 (2017: £10,000) was owed to Ranjit Murugason.

Bryan Lawrie

Bryan Lawrie was appointed CFO of the Company on 17 October 2018. He received fees of £54,000 for services provided to the Group prior to being appointed a Director. £20,000 was in respect of services provided in relation to the acquisition of Bright Bricks and a further £34,000 of fees owed for accounting services provided to the Group for the period from 1 June to 16 October 2018.

As at 31 December 2018, a total of £9,000 was owed to Bryan Lawrie.

Serenella Ciclitira

As at 31 December 2018, Serenella Ciclitira was owed £43,000 in respect of Non-Executive Director fees for 2018 and previous years which have not yet been paid.

Andrew Smith

As at 31 December 2018, no amounts were owed to Andrew Smith.

Simon Horgan

As at 31 December 2018, Simon Horgan was owed £3,333 in respect of Non-Executive Director fees not yet paid.

As part of the acquisition of Bright Bricks, Simon Horgan received cash consideration of £833,333 and equity consideration of 3,076,922 Ordinary 1p shares in the Company. A further £166,667 of deferred consideration is due in October 2019. This can be taken in either shares or cash at Simon Horgan's request.

Trudy Norris-Grey

As at 31 December 2018, Trudy Norris-Grey was owed £3,333 in respect of Non-Executive Director fees not yet paid.

None of the above balances owed are secured, and no expense has been recognised in the current year or prior year for bad or doubtful debts in respect of any amounts owed by related parties.

32. Operating Leases

Operating leases relate to leases of property. The Group does not have an option to purchase the leased property at the expiry of the lease period.

Payments recognised as an expense	2018 £'000	2017 £'000
Minimum lease payments	37	-
Non-cancellable operating lease commitments	2018 £'000	2017 £'000
Not later than 1 year	83	-
Later than 1 year and not later than 5 years	90	-
Later than 5 years	-	-
	173	-

33. Subsidiaries

At 31 December 2018, the Company had the following (direct and indirect) subsidiaries:

Held directly	Company number	Place of incorporation	% owned	Principal activities
Brick Live Group Limited	10151705	UK	100%	Holding Company
Brick Live Touring Limited	11253539	UK	100%	Touring events in Asia
Parallel Live Group Limited	09932658	UK	100%	Holding Company US activities
Championship (Singapore) Pte Limited	201427355K	Singapore	95%	Dormant
Parallel Media Group Asia	201131009R	Singapore	100%	Dormant
Bright Bricks Holdings Limited	11052288	UK	100%	Holding Company
Bright Bricks Worldwide Limited	11544812	UK	100%	Dormant
Held indirectly				
Brick Live International Limited	10257756	UK	100%	Sales of products, licensed events and zoos
Brick Live Far East Limited	10308158	UK	100%	Dormant
Brick Live Hong Limited	2460469	Hong Kong	100%	Dormant
Brick Live Education Limited	11143327	UK	100%	Dormant
Brick Live Far East Limited	2460460	Hong Kong	100%	Owner of Associate investment in China venture
Parallel Live (NY) Limited	10790554	UK	100%	Dormant
Parallel Live (NY) LLC	6339763	USA	100%	Formerly self-promoted events in USA but now dormant
Bright Bricks Limited	07227540	UK	100%	Specialist production company
Bright Bricks Consumer Limited	10653625	UK	100%	Dormant
Bright Bricks Events Limited	10535457	UK	100%	Dormant
Bright Bricks Parties Limited	10837360	UK	100%	Dormant
Warriorbots Limited	11164382	UK	100%	Dormant

Live Company Group plc**NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 31 December 2018**

No subsidiaries were disposed of in 2018. The subsidiaries disposed of in 2017 were as follows:

Held directly	Place of incorporation	% owned	Principal activities
Causeway Trophy PTE Limited	Singapore	50%	Dormant
Parallel Media Italia SRL	Italy	100%	Dormant
Parallel Media (Jersey) Ltd	Jersey	100%	Dormant
Parallel Media (Americas) Ltd	BVI	100%	Dormant
Parallel Media Hong Kong) Ltd	Hong Kong	100%	Dormant
Parallel Media Korea (New Media) Ltd	UK	100%	Dormant
Held indirectly			
Parallel Media Europe Ltd	UK	100%	Dormant
Parallel Smart Media UK Ltd	UK	100%	Dormant
PGAA Media Ltd	BVI	83.9%	Dormant
Parallel Smart Media Ltd	UK	100%	Dormant
Parallel Media Americas Inc	US	100%	Dormant
Parallel Media Group International Ltd	Jersey	100%	Dormant

34. Post balance sheet events**Equity fund raise**

On 25 February 2019, the Company announced an equity fundraise with certain existing investors including David Ciclitira, the Company's Executive Chairman, of, in aggregate, £2.2 million gross (approximately £2.1 million net of fees).

Net proceeds of the fundraise will be used to:

- Finance the further expansion of the BRICKLIVE Zoo programme;
- Provide additional working capital to the Group.

The Fundraise comprised a placing of 2,084,616 new Ordinary shares to raise £1.36 million gross and a subscription of 1,299,996 new Ordinary shares to raise £0.84 million gross, both at a price of 65 pence per share. As at the date of this report, £0.2 million under the subscription is still to be received.

The Company also issued participants in the fundraise 1.25 warrants for every new Ordinary Share issued. Each warrant provides the holder the right to one new Ordinary Share on its exercise. The warrants will be exercisable at a price of 80 pence for a two-year period from the admission of the relevant new Ordinary shares.

Loan funding

On 17 October 2018 the Company secured a £1,000,000 loan facility arranged by Riverfort Global Capital Limited. The Company drew down on the loan facility during the course of Q4 2018 and in May 2019, the Company agreed a revised repayment profile, with which it is in full compliance.

Share Option scheme

In October 2018, the Company announced that it planned to put in place a share option scheme of up to 10% of the Company's total issued share capital post-completion of the Bright Bricks acquisition and associated placing, in order to provide a long-term incentive plan for executive Directors and staff.

On 2 April 2019, the Company announced that it had adopted a share option scheme, which includes an EMI scheme for Group staff and unapproved schemes for Directors and consultants, pursuant to which it will issue up to 6,709,459 options, representing 10% of the Company's issued share capital as at completion of the Bright Bricks acquisition and associated placing in October 2018. Under the scheme the Company granted 3,086,346 options to certain Directors and senior management accounting for 4.5% of the 10% allotment. Each option provides the holder the right to one new ordinary share on its exercise. The options have an exercise price of 65 pence per share and shall vest in three equal instalments of one third each on the first, second and third anniversaries of granting. The options will be exercisable after three years from the date of grant and for a period up to 31 March 2029, subject to any extension in accordance with the scheme, and are subject to continued employment.

Bonus and issue of shares

On 2 April 2019 the Board agreed to issue David Ciclitira a bonus of 500,000 new ordinary shares subject to the Group achieving an agreed performance target in respect of 2019, which will be settled in early 2020, based on the Group's management accounts for the year ended 31 December 2019.

As set out in Note 10, on 2 April 2019 the Company awarded David Ciclitira a bonus of £100,000 in respect of 2018, for working with international investors to successfully complete the AIM readmission in addition to the work done to acquire Bright Bricks. This was charged in 2018.

On 11 February 2019, the Company agreed to pay Ranjit Murugason a fee of £45,000 in respect of his involvement in winding up the Group's historic subsidiaries in Singapore, which was satisfied through the issue of 69,230 new Ordinary shares at a price of 65 pence per share. This will be charged in 2019.

On 2 April 2019 the Company agreed to pay Ranjit Murugason a fee of £100,000 in respect of completion of the integration of the acquisition of Bright Bricks and additional work undertaken in relation to the closure of the Singapore subsidiaries to the LVCG business, which was satisfied through the issue of 153,846 new Ordinary shares at a price of 65 pence per share. As set out in Note 10, £50,000 was charged in 2018 and the remainder will be charged in 2019.

Live Company Group Plc

Year ended 31 December 2018

Supplementary note to the consolidated financial statements for the year ended 31 December 2018 in accordance with the Companies (Revision of Defective Accounts and Reports) Regulations 2008 (SI2008 No.373), as amended by the Companies (Revision of Defective Accounts and Reports) (Amendment) (no.2) Regulations 2013 (S1 2013 No.2224)

The directors of Live Company Group Plc confirm that financial statements of the company for the year ended 31 December 2018 did not comply with the Companies Act 2006 in that the following statement was omitted from note 33 of the notes forming part of the original annual consolidated financial statements:

'The company's subsidiaries Bright Bricks Limited, Bright Bricks Consumer Limited, Brick Live Group Limited, Brick Live International Limited and Brick Live Touring Limited are exempt from the requirements of the Companies Act 2006 relating to the audit of their individual accounts by virtue of section 479A of the Companies Act 2006.'

The directors confirm that:

- a) this supplementary note revises the original annual consolidated financial statements of Live Company Group Plc for the year ended 31 December 2018 in respect of the above statement only and is to be treated as forming part of the original annual financial statements of Live Company Group Plc for the year ended 31 December 2018; and
- b) the annual financial statements of Live Company Group Plc for the year ended 31 December 2018 have been revised as at the date of the original annual consolidated financial statements of Live Group Plc for the year ended 31 December 2018 and not as at the date of revision and accordingly do not deal with events between those two dates.



David Ciclitira
Director
On behalf of Live Company Group Plc
3 October 2019

REGISTERED NUMBER 00630968

Opinion

We have audited the revised financial statements of Live Company Group Plc (the 'parent Company' and its subsidiaries (the 'Group')) for the year ended 31 December 2018, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statements of Financial Position, the Consolidated and Parent Company Statements of Changes in Equity, the Consolidated and Parent Company Statements of Cash Flows and notes to the revised financial statements, including a summary of significant accounting policies. These revised financial statements replace the original financial statements approved by the directors on 13 June 2019 and consist of the attached supplementary note together with the original financial statements which were circulated to shareholders on 25 June 2019. 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 and, as regards the parent Company revised financial statements, as applied in accordance with the provisions of the Companies Act 2006. The revised financial statements have been prepared under the Companies (Revision of Defective Accounts and Reports) Regulations 2008 and accordingly do not take account of events which have taken place after the date the original financial statements were approved.

In our opinion:

- the revised financial statements give a true and fair view, seen as at the date the original financial statements were approved, of the state of the Group's and of the parent Company's affairs as at 31 December 2018 and of the Group's loss for the year then ended;
- the Group revised financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union seen as at the date the original financial statements were approved;
- the parent Company revised financial statements have been properly prepared in accordance with IFRS as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006 as they have effect under the Companies (Revision of Defective Accounts and Reports) Regulations 2008.; and
- the revised financial statements have been prepared in accordance with the requirements of the Companies Act 2006 as they have effect under the Companies (Revision of Defective Accounts and Reports) Regulations 2008.

Basis for opinion

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

Emphasis of matter – revision of note 33 to the consolidated financial statements

We draw attention to the supplementary note to the consolidated financial statements which describes the need for revision of note 33 to the original financial statements because of the omission of a statement from that note relating to the exemption from audit of certain subsidiary undertakings in respect of their individual accounts. The original financial statements were approved on 13 June 2019 and our previous audit report was signed on that date. We have not performed a subsequent events review for the period from the date of our previous auditor's report to the date of this report. Our opinion is not modified in this respect.

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 revised financial statements is not appropriate; or
- the directors have not disclosed in the revised financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent 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 original
- financial statements are authorised for issue.

Key audit matters

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

Audit area and description

Impairment of Goodwill

The consolidated revised financial statements include goodwill of £4.307m in respect of the acquisition of Parallel Live Group (£1.271m), acquisition of the remaining shares in Brick Live Far East (£2.950m) and the acquisition of Bright Bricks (£0.086m).

Audit approach

We re-performed the calculations of the cost of investment and goodwill arising on the acquisition of Bright Bricks in the year.

We assessed the Directors' assertion that no impairment was required in respect of goodwill arising on the acquisitions by reference to trading performance and cash and profit forecasts of the acquired entities.

We critically assessed and challenged the assumptions made by the Directors in their preparation of the cash and profit forecasts including an assessment against current year trading to date.

Assessment of Fair Values on Acquisition

The acquisition of Bright Bricks included fair value adjustments to the carrying value of content assets included within Property, Plant and Equipment and inventories of £1.180m and £4.997m respectively.

We re-performed the calculation of the fair values made by the Directors.

We critically assessed and challenged the assumptions made by the Directors in their calculation of the fair values.

We critically assessed whether the fair value adjustments made by the Directors are in accordance with IFRS 3 and IFRS 13.

Audit area and description

Discontinued Operations

The Directors have classified the ceasing of operations in respect of shows organised by Parallel Live Group subsidiaries, under the LEGO® LIVE trademark, as discontinued operations in the year.

Audit approach

We have re-performed the calculation of revenue and expenses classified within discontinued operations.

We considered whether the Directors assertion that the relevant operations can be classified as discontinued operations was appropriate by critically assessing whether the operations meet the criteria as set out in IFRS 5.

Our application of materiality

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

We considered revenue to be the main focus for readers of the revised financial statements, and this influenced our judgement of materiality. Based on our professional judgement we determined materiality for the Group to be £64,000 based on a percentage of revenue.

We agreed to report to the Audit Committee all audit differences in excess of the threshold that we had calculated as clearly trivial to the revised financial statements, and any other differences that, in our view, warranted reporting on qualitative grounds. We also reported disclosure matters that we identified when assessing the overall presentation of the revised financial statements.

An overview of the scope of our audit

Our audit of the Group and parent Company revised financial statements was scoped by obtaining an understanding of the Group and parent Company and their environment, including Group wide controls, and assessing the risks of material misstatement at the Group and parent Company level. The whole of the Group is audited by one audit team, led by the Senior Statutory Auditor. Our approach in respect of key audit matters is set out in the table in the Key Audit Matters section.

The audit is performed centrally and comprises all of the companies within the Group, significant components of which were visited by the audit team.

Other information

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

In connection with our audit of the revised financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the revised financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the revised financial statements or a material misstatement of the other information. If, based on the work we have

performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the revised financial statements are prepared is consistent with the parent Company revised financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In our opinion the original financial statements for the year ended 31 December 2018 failed to comply with the requirements of the Companies act 2006 in the respects identified in the supplementary note to the revised financial statements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company revised financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 33, the Directors are responsible for the preparation of the revised financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of revised financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the revised financial statements, the Directors are responsible for assessing the Group's and the parent 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 Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the revised financial statements

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

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the revised financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the revised financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or the parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the revised financial statements, including the disclosures, and whether the revised financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

We are also required to report whether in our opinion the original financial statements failed to comply with the requirements of the Companies Act 2006 in the respects identified by the directors. The audit of the revised financial statements includes the performance of procedures to assess whether the revisions made by the directors are appropriate and have been properly made.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with the Companies (Revision of Defective Accounts and Reports) Regulations 2008. Our audit work has been undertaken for no purpose other than to draw to the attention of the Company's members those matters which we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the Company and Company's members as a body, for our work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP

Matthew Banton (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP,
Statutory Auditor

3 October 2019

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London EC1M 7AD