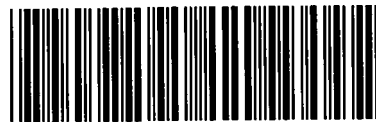


**BRICK LIVE INTERNATIONAL LIMITED  
FINANCIAL STATEMENTS  
YEAR ENDED 31 DECEMBER 2017**

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# **BRICK LIVE INTERNATIONAL LIMITED**

## **FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2017**

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# BRICK LIVE INTERNATIONAL LIMITED

## STATUTORY AND OTHER INFORMATION

Directors:	J D N Ciclitira C N Morton A J Smith
Secretary:	Sole Associates Accountants Ltd
Registered Office:	3 Park Court Pyrford Road West Byfleet Surrey KT14 6SD
Auditors:	Kingston Smith LLP Charlotte Building 17 Gresse Street London W1T 1QL

# **BRICK LIVE INTERNATIONAL LIMITED**

## **DIRECTORS' REPORT**

The Directors present their report and the financial statements of the company for the year ended 31 December 2017.

The company was incorporated on 29 June 2016 and the prior period accounts were prepared to the accounting period from 29 June 2016 to 31 December 2016.

### **Results and dividend**

The results of the company for the year are set out on page 7.

### **Directors**

The directors of the company during the year were:

J D N Ciclitira

C N Morton

M S Papi – appointed 3 January 2017, resigned 27 March 2018

A J Smith – appointed 1 November 2017

S N Horgan – resigned 3 January 2017

### **Staff policy**

The company is committed to a policy of recruitment and promotion on the basis of aptitude and ability. Applications for employment by disabled persons are given full and fair consideration having regard to their particular aptitudes and abilities. Where existing employees become disabled, it is the company's policy, wherever possible, to provide continuing employment under normal terms and conditions and to provide training, career development and promotion wherever appropriate.

### **Statement of directors' responsibilities**

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the company financial statements in accordance with International Financial Reporting Standards as adopted by the European Union.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the financial performance and cash flows of the Company for that year. 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 in preparation of the company financial statements the company has complied with IFRS as adopted by the European Union, subject to any material departures disclosed and explained in the company financial statements; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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

### **Disclosure of Information to Auditors**

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

# BRICK LIVE INTERNATIONAL LIMITED

## DIRECTORS' REPORT

### Auditors

The auditor, Kingston Smith LLP, is deemed to be reappointed under section 487 (2) of the Companies Act 2006.

On behalf of the Board:



J D N Ciclitira – Chairman

Date:

11th Sept 2018

# **BRICK LIVE INTERNATIONAL LIMITED**

## **AUDITORS' REPORT TO THE SHAREHOLDERS OF BRICK LIVE INTERNATIONAL LIMITED**

### **Opinion**

We have audited the financial statements of Brick Live International Limited for the year ended 31 December 2017 which comprise of an Income Statement, the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cashflows, the Statement of Changes in Equity 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 United Kingdom Accounting Standards, including IFRS, 'International Financial Reporting Standards'.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRS, 'International Financial Reporting Standards';
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

### **Other information**

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

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

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report have been prepared in accordance with applicable legal requirements.

# **BRICK LIVE INTERNATIONAL LIMITED**

## **AUDITORS' REPORT TO THE SHAREHOLDERS OF BRICK LIVE INTERNATIONAL LIMITED**

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the 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 company'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 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 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.

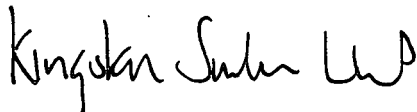
## BRICK LIVE INTERNATIONAL LIMITED

### AUDITORS' REPORT TO THE SHAREHOLDERS OF BRICK LIVE INTERNATIONAL LIMITED

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.

#### 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.



Peter Smithson (Senior Statutory Auditor)  
for and on behalf of Kingston Smith LLP, Statutory Auditor

Kingston Smith LLP  
Charlotte Building  
17 Gresse Street  
London  
W1T 1QL

19 September 2019



# BRICK LIVE INTERNATIONAL LIMITED

## INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	Year ended 31 December 2017 £	Period ended 31 December 2016 £
<b>Revenue</b>	4	1,294,195	1,307,638
Cost of sales		(387,554)	(47,072)
<b>Gross profit</b>		<u>906,641</u>	<u>1,260,566</u>
Administrative expenses		(1,531,595)	(1,035,429)
Profit on sale of investment	10	659,889	-
<b>Operating profit</b>	6	<u>34,935</u>	<u>225,137</u>
<b>Profit before taxation</b>		<u>34,935</u>	<u>225,137</u>
Taxation	8	(30,734)	(20,242)
<b>Retained profit for the year</b>		<u>4,201</u>	<u>204,895</u>

# BRICK LIVE INTERNATIONAL LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017

	Year ended 31 December 2017 £	Period ended 31 December 2016 £
Profit for the year	4,201	204,895
Other comprehensive income	-	-
Total comprehensive income for the year	<u>4,201</u>	<u>204,895</u>

# BRICK LIVE INTERNATIONAL LIMITED

## STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	2016 £
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	9	747,350	152,231
Investments in associates and joint ventures	10	389	500
		<u>747,739</u>	<u>152,731</u>
<b>Current assets</b>			
Trade and other receivables	11	1,532,765	989,387
Cash and cash equivalents		21,109	-
		<u>1,553,874</u>	<u>989,387</u>
<b>TOTAL ASSETS</b>		<u><u>2,301,613</u></u>	<u><u>1,142,118</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<b>Capital and reserves attributable to equity holders of the company</b>			
Ordinary share capital	12	100	100
Retained earnings		209,096	204,895
<b>Total equity</b>		<u>209,196</u>	<u>204,995</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Deferred tax liabilities	14	50,976	20,242
<b>Current liabilities</b>			
Trade and other payables	15	2,041,441	916,881
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>2,301,613</u></u>	<u><u>1,142,118</u></u>

The financial statements were approved by the board of directors and authorised for issue on

17 Sept 2018

  
J D N Ciclitira – Chairman

# BRICK LIVE INTERNATIONAL LIMITED

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2017

	Year ended 31 December 2017	Period ended 31 December 2016
	£	£
<b>Cash flows from operating activities</b>		
Profit before taxation	34,935	225,137
Adjustments for:		
Profit on sale of investment	(659,889)	-
Depreciation of property, plant and equipment	104,906	-
Increase in trade and other receivables	(543,378)	(989,387)
Decrease in trade and other payables	1,124,449	823,299
<b>Cash generated from operations</b>	<b>61,134</b>	<b>59,049</b>
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>61,134</b>	<b>59,049</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of investment in joint venture	660,000	-
Purchase of property, plant and equipment	(700,025)	(152,231)
Purchase of fixed asset investments	-	(500)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(40,025)</b>	<b>(152,731)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of equity shares	-	100
Proceeds from borrowings	-	93,582
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>-</b>	<b>93,682</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>21,109</b>	<b>-</b>
Cash and cash equivalents at beginning of year	-	-
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>21,109</b>	<b>-</b>

# BRICK LIVE INTERNATIONAL LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2017

	Ordinary share capital £	Retained Earnings £	Total equity £
<b>Balance at 29 June 2016</b>	-	-	-
Profit for period	-	204,895	204,895
<b>Transactions with owners:</b>			
Issue of share capital	100	-	100
<b>Balance as at 31 December 2016</b>	<u>100</u>	<u>204,895</u>	<u>204,995</u>
Profit for year	-	4,201	4,201
<b>Balance as at 31 December 2017</b>	<u>100</u>	<u>209,096</u>	<u>209,196</u>

# BRICK LIVE INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 1. GENERAL INFORMATION

Brick Live International Limited is a private limited company domiciled and incorporated in England & Wales under the Companies Act. The address of its registered office is 3 Park Court, Pyrford Road, West Byfleet, Surrey, KT14 6SD. The principal activity of the company is the creating of international partnerships and commercialisation of Brick Live outside of the UK.

These financial statements are presented in pounds sterling because that is the functional currency of the parent company and the wider group. Foreign operations are included in accordance with policies set out in note 2 below.

### 2. ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been applied consistently to all the years presented unless otherwise stated.

#### Basis of preparation

The financial statements of the company have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, IFRIC interpretations and the Companies Act 2006 as applicable to companies reporting under IFRS. These accounts have been prepared under the historical cost convention, as modified by the revaluation of land and buildings and certain financial instruments.

The company has elected not to prepare consolidated accounts on the basis that its ultimate parent, Live Company Group Plc (formerly Parallel Media Group Plc) prepares consolidated accounts, into which the company's figures are consolidated.

#### Standards in effect in 2017 adopted by the company

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

#### New and Revised Standards

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

The following IFRS and IFRIC Interpretations have been issued but have not been applied by 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 Company intends to adopt these Standards and Interpretations when they become effective, rather than adopt them early.

- IFRS 9, 'Financial Instruments'
- IFRS 15, 'Revenue from Contracts with Customers'
- IFRS 16 'Leases'
- IFRS 10 and IAS 28 (amendments), 'Sale or Contribution of Assets between an Investor and its Associate or Joint Venture'
- Amendments to IFRS 2, 'Classification and Measurement of Share-based Payment Transactions'
- Amendments to IAS 7, 'Disclosure Initiative'
- Amendments to IAS 12, 'Recognition of Deferred Tax Assets for Unrealised Losses'

The directors do not expect that the adoption of the Standards listed above will have a material impact on the company in future periods except that IFRS 9 will impact both the measurement and disclosure of financial instruments and IFRS 15 may have an impact on revenue recognition and related disclosures. Beyond this, it is not practicable to provide a reasonable estimate of the effect of IFRS 9 and IFRS 15 until a detailed review has been completed.

IFRS 16 is a significant change to lessee accounting and 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 assets. The effect on the company is expected to be immaterial.

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

# **BRICK LIVE INTERNATIONAL LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **Joint ventures**

Joint ventures are entities over which the group exercises control jointly with another party or parties. Joint ventures are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The joint ventures are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

### **Revenue recognition**

Revenue is the value of goods and services provided by the company to customers, net of VAT and discounts. Revenue includes licence fees, content fees, brick lease fees, revenue shares, merchandising and management fees. Revenue is recognised when the company has earned the right to receive consideration for its performance, measured on the following basis:

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

### **Taxation**

The tax expense for the year represents the total of current taxation and deferred taxation. The charge in respect of current taxation is based on the estimated taxable profit for the year. Taxable profit for the year is based on the profit as shown in the income statement, as adjusted for items of income or expenditure which are not deductible or chargeable for tax purposes. The current tax liability for the year is calculated using tax rates which have either been enacted or substantively enacted at the balance sheet date.

Deferred tax is provided in full, using the liability method on temporary differences arising between the tax base of assets and liabilities and their carrying values in the financial statements. The deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates which have been enacted or substantively enacted at the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

### **Foreign currency translation**

Items included in the financial statements are measured using their functional currency. The financial statements are presented in sterling, which is the company's functional and presentational currency.

Foreign currency transactions are translated using the rate of exchange applicable at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-translation at the year end of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

# **BRICK LIVE INTERNATIONAL LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **Property, plant and equipment**

All property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

All assets are depreciated in order to write off the costs, less anticipated residual values of the assets over their useful economic lives on a straight line basis as follows:

- Computer Equipment: 4 years
- Plant and machinery: 4 years

### **Impairment of assets**

Assets that have an indefinite useful life are not subject to amortisation but are instead tested annually for impairment and are subject to additional impairment testing if events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable.

Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. A review for indicators of impairment is performed annually. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Any impairment charge is recognised in the income statement in the year in which it occurs. When an impairment loss, other than an impairment loss on goodwill, subsequently reverses due to a change in the original estimate, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, up to the carrying amount that would have resulted, net of depreciation, had no impairment loss been recognised for the asset in prior years.

### **Trade and other receivables**

Trade and other receivables are stated at their original invoiced value, less any appropriate allowance for estimated irrecoverable amounts.

### **Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and in hand and other short term highly liquid deposits with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

### **Share capital**

Ordinary shares of the company are classified as equity.

### **Trade payables**

Trade payables are recognised initially at fair value and are subsequently measured at amortised cost using the effective interest method. As the payment period of trade payables is short future cash payments are not discounted as the effect is not material.

### **Leases**

On inception of a lease of an item of property, plant and equipment, the terms and conditions of the lease are reviewed to determine the appropriate classification for the lease. Where the company bears substantially all the risks and rewards of ownership of the item, the lease is classified as a finance lease and the item is capitalised within the appropriate class of property, plant and equipment at the lower of the fair value of the leased item and the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to obtain a constant rate on the finance balance outstanding. The outstanding capital element of the lease payments are included within current and long-term payables as appropriate; the interest element of the lease payments is charged to the income statement over the period of the lease so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases where the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases, net of any incentives received from the lessor, are charged to the income statement on a straight line basis over the term of the lease.



# BRICK LIVE INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Rental income received under operating leases is credited to the income statement on a straight line basis over the lease term.

### Pensions

The company did not operate a pension scheme in the year ended 31 December 2017.

### 3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

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

### 4. REVENUE

Breakdown of revenue is as follows:

	2017 £	2016 £
Issuing licences	1,259,950	1,307,638
Event tickets	34,245	-
<b>Total revenue for period</b>	<b>1,294,195</b>	<b>1,307,638</b>

### 5. OPERATING PROFIT

Company operating profit for the year is stated after charging/ (crediting) the following:

	2017 £	2016 £
Depreciation of owned property, plant and equipment	104,906	-
Foreign exchange losses/ (gains)	26,163	(36,710)
Profit on sale of joint venture	(659,889)	-
Auditor's remuneration	56,000	8,000
	<b>(472,820)</b>	<b>(36,710)</b>

# BRICK LIVE INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 6. EMPLOYEES

	2017	2016
	£	£
Staff costs comprised:		
Wages and salaries	48,773	-
Social security costs	4,091	-
Other pension costs	-	-
	<u>52,862</u>	<u>-</u>

The average monthly number of employees, including directors, employed by the company during the year was:

Office and administration	<u>1</u>	<u>-</u>
---------------------------	----------	----------

### 7. TAXATION

	2017	2016
	£	£
Current tax charge	-	-
Adjustments relating to prior periods	-	-
	<u>-</u>	<u>-</u>
Deferred tax	-	-
Origination and reversal of timing differences	30,734	20,242
	<u>30,734</u>	<u>20,242</u>
<b>Total tax charge for period</b>	<u>30,734</u>	<u>20,242</u>

### 8. PROPERTY, PLANT AND EQUIPMENT

	Computer Equipment £	Plant and machinery £	Total £
<b>Cost</b>			
At 31 December 2016	-	152,231	152,231
Additions	4,312	695,713	700,025
At 31 December 2017	<u>4,312</u>	<u>847,944</u>	<u>852,256</u>
<b>Depreciation</b>			
At 31 December 2016	-	-	-
Charge for the year	(682)	(104,224)	(104,906)
At 31 December 2017	<u>(682)</u>	<u>(104,223)</u>	<u>(104,906)</u>
<b>Net book value as at 31 December 2017</b>	<u>3,630</u>	<u>743,720</u>	<u>747,350</u>
<b>Net book value as at 31 December 2016</b>	<u>-</u>	<u>152,231</u>	<u>152,231</u>

# BRICK LIVE INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 9. INVESTMENTS

	2017 £	2016 £
Cost at 31 December 2016	500	500
Disposal	(111)	-
Cost at 31 December 2017	<u>389</u>	<u>500</u>

The investment in an associate relates to the equity held in the following company:

Name	Place of incorporation	Value held £	Direct percentage held	Indirect percentage held
Brick Live Far East Limited	Hong Kong	389	38.9%	-
Brick Live Centre Education (Beijing) Development Limited	China	-	-	19.1%

At 31 December 2016, Brick Live International Limited had a joint venture arrangement (50%) with Brick Live Far East Limited, a company incorporated in Hong Kong. This was acquired for £500. 11.1% was sold to Brick Live Labs for £660,000 on 9 October 2017. This resulted in the profit on disposal of £659,889 which was taken to the Income Statement in the year ended 31 December 2017. On the 27 December 2017, Live Company Group Plc bought the 61.1%, which was owned by Brick Live Labs for £2,949,618.

### 10. TRADE AND OTHER RECEIVABLES

	2017 £	2016 £
Trade receivables	359,251	65,246
Amounts owed by group companies	674,494	-
Tax and social security	59,184	31,030
Other debtors	21,454	783,383
Prepayments and accrued income	<u>418,382</u>	<u>109,828</u>
	<u>1,532,765</u>	<u>989,387</u>

There are no differences between the carrying amount and fair value of any of the trade and other receivables above.

As of 31 December 2017, trade receivables of £359,251 (2016: £65,246) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	2017 £	2016 £
Up to 3 months	267,451	65,246
3 to 6 months	91,800	-
Older than 6 months	-	-
	<u>359,251</u>	<u>65,246</u>

# BRICK LIVE INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 11. SHARE CAPITAL

	2017 £	2016 £
Issued, allotted, called up and fully paid:		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

### 12. FINANCIAL INSTRUMENTS

The main risks arising from the company's financial instruments are foreign currency risk and credit risk. The directors regularly review and agree policies for managing each of these risks which are summarised below.

#### Foreign currency risks

The company operates internationally. It therefore is exposed to foreign exchange risk arising from exposure to various currencies primarily the US Dollar, but also the Euro. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

#### Credit risk

Credit risk is managed on a company basis. Credit risk arises principally from cash and cash equivalents and deposits with banks and financial institutions as well as credit exposure to customers including committed transactions and outstanding receivables. The company reviews its banking arrangements carefully to minimise such risks and has put in place credit control procedures to mitigate against risks arising from customers including the obtaining of references, setting of credit limits and monitoring of limits.

### 13. DEFERRED TAXATION

Deferred tax liabilities	Total
At 31 December 2016	20,242
Charged/ (credited) to the income statement	<u>30,734</u>
At 31 December 2017	<u>50,976</u>

### 14. TRADE AND OTHER PAYABLES

	2017 £	2016 £
Trade payables	762,683	122,078
Amounts owed to group undertakings	152,491	93,582
Other creditors	3,302	500
Accruals and deferred income	<u>1,122,965</u>	<u>700,721</u>
	<u>2,041,441</u>	<u>916,881</u>

### 15. 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'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.

# **BRICK LIVE INTERNATIONAL LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **16. POST BALANCE SHEET EVENTS**

Brick Live Far East Limited's associate, Brick Live Education Development (Beijing) Ltd (see note 9), has entered into an agreement for a second permanent centre in China.

### **17. RELATED PARTY TRANSACTIONS**

The balance owed by Mr C Morton was £15,454 (2016: £31,845). No interest has been charged on this balance. £61,694 in relation to his consultancy fees has been included in the Income Statement (2016: £nil).

Included in prepayments is a balance of £215,503 (2016: £nil) in relation to Mr D Ciclitira's commission. £269,382 was included in the Income Statement in relation to commission for Mr D. Ciclitira (2016: £nil).

During the year, Mr D Ciclitira's wife, Mrs S Ciclitira's remuneration was £24,000 (2016: £nil), which was owed to her at year end (2016: £nil).

### **18. ULTIMATE CONTROLLING PARTY**

During 2017, the shares of Brick Live Group, the immediate parent of the company, were acquired in full by Live Company Group Plc (formerly Parallel Media Group Plc) which is now the ultimate controlling party. The registered office is 3 Park Court, Pyrford Road, West Byfleet, Surrey KT14 6SD. Consolidated accounts for the group are available at this address.