LIVE COMPANY GROUP PLC
ANNUAL REPORT

Annual report for the year ended 31 December 2019
Registered Number 00630968

LIVE COMPANY GROUP

Welcome to the 2019 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.

LIVE COMPANY GROUP

Bright Bricks

BRICKLIVE

parallel three six zero

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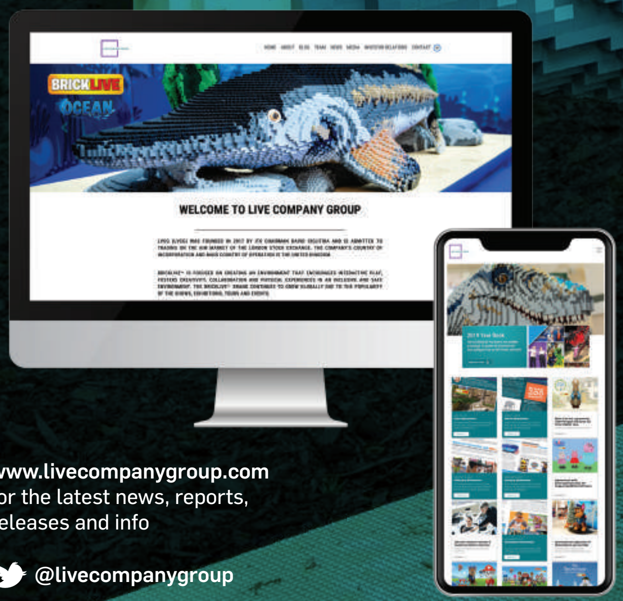

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Serenella Ciclitira
Ranjit Murugason
Bryan Lawrie
Trudy Norris-Grey
Simon Horgan
Mark Freebairn

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Incorporated in England and Wales

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LIVE COMPANY GROUP

CHAIRMAN'S STATEMENT

David Ciclitira
Chairman

The year ended 31 December 2019, has, once again, been a transformational one for the Group, which saw us deliver on our strategy of expanding the BRICKLIVE Zoo programme globally, creating further relationships with world renowned Intellectual Property (IP) partners, extending our BRICKLIVE shows into additional geographic areas and further developing our BRICKLIVE touring assets.

In early 2020, the world was shaken by the aggressive spread of the COVID-19 virus, which in addition to the many lives lost, created an unprecedented period of volatility and uncertainty in the global markets. The Group will issue a full operational statement at the half year.

As previously announced, a series of cost reduction measures have been put in place by your Board, including the furloughing of staff, redundancies and a decrease in management salaries and the Non-executive Directors foregoing their Q2 and Q3 fees.

I would like to thank all the team for their extensive support during these challenging times and our thoughts go out to all those affected by the COVID-19 pandemic.

BRICKLIVE Zoo

In 2019, we continued to build on the BRICKLIVE Zoo programme that was established in 2018, exhibiting themed tours in zoos, safari parks, aquariums and venue attractions. We have seen great interest and enthusiasm for the Zoo tours, as they bring repeat customers back to attractions, thus increasing revenue for our clients as well as bringing footfall in quieter months.

By the end of 2019, we had secured 12 contracts with zoos from the UK to the US including Marwell Zoo (UK), Burger Zoo (Holland), Boston Zoo (US) and Granby Zoo in Canada. Our programme included exhibiting BRICKLIVE Ocean at Edinburgh Zoo, The Great Brick Safari at Twycross Zoo (UK), BRICKLIVE Big Cats at Chester Zoo and BRICKLIVE Animal Kingdom at Brookfield Zoo USA.

We see the BRICKLIVE Zoo programme as a key source of recurring revenue (many clients book for more than one year), which has long lead in times (from initial booking to the event taking place) which means we have good visibility of revenue. Going forward we aim to further increase our geographical presence and asset utilisation in this sector of our business.

Post balance sheet, BRICKLIVE Zoo Animal Paradise is open at JB Zoo in Michigan, BRICKLIVE Ocean is being installed in July at Bristol Zoo and BRICKLIVE Supersized is installed at Marwell Zoo, the latter both awaiting final approval to open to the public.

BRICKLIVE IP

In Q2 of 2019, we established our BRICKLIVE IP division to enable us to partner with world renowned IP brands. The BRICKLIVE IP division is working with two of the largest entertainment brands in the world, Nickelodeon (part of Viacom CBS Inc) and Entertainment One (part of Hasbro Incorporation), along with Penguin Ventures, part of one of the world's largest literary publishing houses, Penguin Random House and most recently, The Copyrights Group.

During 2019, and post balance sheet in early 2020, we successfully secured multi-year partnerships with four IP partners as well as securing children's pre-school entertainment brands including Paw Patrol, Nick Jr, Peppa Pig, Peter Rabbit, Paddington Bear. In addition, we secured an agreement to produce a themed tour of The Snowman and the Snowdog with Snowman Enterprises Limited (part of Penguin Random House group).

Our ability to establish partnerships with multi-billion-pound companies such as Nickelodeon, proves our business strategy in our IP division is successful – big brands want to work with us.

BRICKLIVE Shows and Touring

In 2019, we continued to see growth in BRICKLIVE shows and touring and by August 2019, we had contracted 60 BRICKLIVE shows and events across the world for 2019. This rose to 71 events by the end of the year. We established partnerships in Germany with AWC AG, Palexpo SA in Switzerland, Exhibition Hub SPRL in Belgium, SMG Europe Holdings (who promoted the first BRICKLIVE Show in Aberdeen in September 2019), HADRAN 2006 in Israel and Make Merry Company Inc in Japan. Other global partnerships include: AWC Asia (South Korea), Imagine Exhibitions in North America and Toulouse Evènments SA in France.

In March 2019, following our agreement with AWC, the first BRICKLIVE show was held in Germany while in April 2019, we saw our first Bricklive show in Mexico with our partner for Latin America EXIM ENT. In May 2019, we announced that we would manage and operate the Group's flagship UK BRICKLIVE show in 2019 at the NEC. This event took place at the end of October and showcased BRICKLIVE Force and BRICKLIVE Outerspace. In December 2019, the second BRICKLIVE Christmas Show took place in Monaco, where we featured BRICKLIVE Ocean and BRICKLIVE Force.

Whilst the COVID-19 pandemic has meant that many of the 2020 tours have been postponed, we have seen significant inbound enquiry from Business Improvement Districts (BIDs) for the second half of 2020 and expect additional enquiries as BIDs look to increase footfall and support local business recovery.

The Group also signed a multi-year agreement with Licencing Management International Limited (LMI), to act as agent in respect of identifying partners for the licencing and merchandising of BRICKLIVE branded merchandise and products sold at the shows, tours and events.

Corporate

In February 2019, we raised £2.0m via a placing and subscription to facilitate the expansion of the BRICKLIVE Zoo programme, enabling new tours to be built and exhibited and to provide working capital for the group. As a result of the investment, we secured new contracts with zoos in the UK, Europe and Canada. As Chairman, I was delighted to invest approximately £250,000 in this fundraise.

In August 2019, we announced Andy Smith had stepped down from the Board and would become Deputy Chairman of BRICKLIVE Group. Andy will step down from this role shortly too and continue as an adviser to the Group. As of 1 October 2019, Mark Freebairn was appointed as Non-executive Director to the Board. Mark has a wealth of city-based experience and is currently a Partner and Head of the Financial Management Practice of Odgers Berndtson. Post balance sheet closing we appointed Richard Collett as Financial Director and Sarah Dees as COO.

It is proposed that Richard will, in due course, take over as Chief Financial Officer from Bryan Lawrie. Bryan is continuing as the Group's Chief Financial Officer, including remaining on the Board, in order to ensure a seamless handover of the finance function to Richard.

In December 2019, the existing loan facility from Riverfort Global Opportunities PCC Limited (formerly Cuart Investments PCC Limited) ("Riverfort") was supplemented by an additional loan facility of £1m, of which £300,000 was drawn down in December 2019. Alongside that additional facility, the Company entered into an Equity Share Agreement with Riverfort, the proceeds of which would support the repayment of the loan. Post balance sheet, the Company has made arrangements to extend the repayment of the loan facilities provided by the Investors and, as a result of the market disruption caused by COVID-19, the parties agreed to suspend the ESA. Further details are set out in Note 34.

Further financing of £250,000 was sourced via the UK Government's backed Coronavirus Business Interruption Scheme from National Westminster Bank Plc and, to show my continued support and belief in the Group and its strategy, I also provided a £500,000 secured personal loan to the Group, in April 2020 as detailed in Note 36.

Emerging stronger

We face a challenging year ahead post COVID-19, though as governments rally around the world to ensure the global economy gets back on its feet, we have a unique opportunity to provide edutainment to our customers to assist in getting people back out to visit the high streets, shopping centres, zoos and tourist attractions.

I very much believe that our team is up for the challenge as we remain committed to delivering shareholder value. We continue with our build programme and are seeking to further develop our consumer sets business, as well as other products for home use, which has seen significant demand during recent times. However, given this period of unprecedented uncertainty, we have withdrawn our previous financial and operational guidance for both 2020 and 2021. At the time of issuing the Annual Report and Accounts, there are unprecedented societal and market conditions as a result of the COVID-19 pandemic, which increases the risk that there could be a delay in the implementation of the Group's strategy, which could impact the Company's liquidity. The Directors continue to explore ways to mitigate the impact, including assessing the measures announced by the UK Chancellor to support businesses during the COVID-19 outbreak.

I was also pleased to announce that Trudy Norris-Grey agreed to become Non-executive Deputy Chairperson, having joined the Company, as a Non-executive Director, in November 2018. Trudy brings a broad range of experience to the Company, having held senior leadership positions at Microsoft, Oracle, Sun Microsystems and BT.

I would like to thank the team for all their efforts and for their ongoing support and energy especially during the lockdown period.

Finally, I would personally like to thank all of our shareholders and those who have supported me, and our Group, its Board and employees, over the last year.

DAVID CICLITIRA
Chairman
22 June 2020

01
STRATEGIC REPORT

BUSINESS MODEL

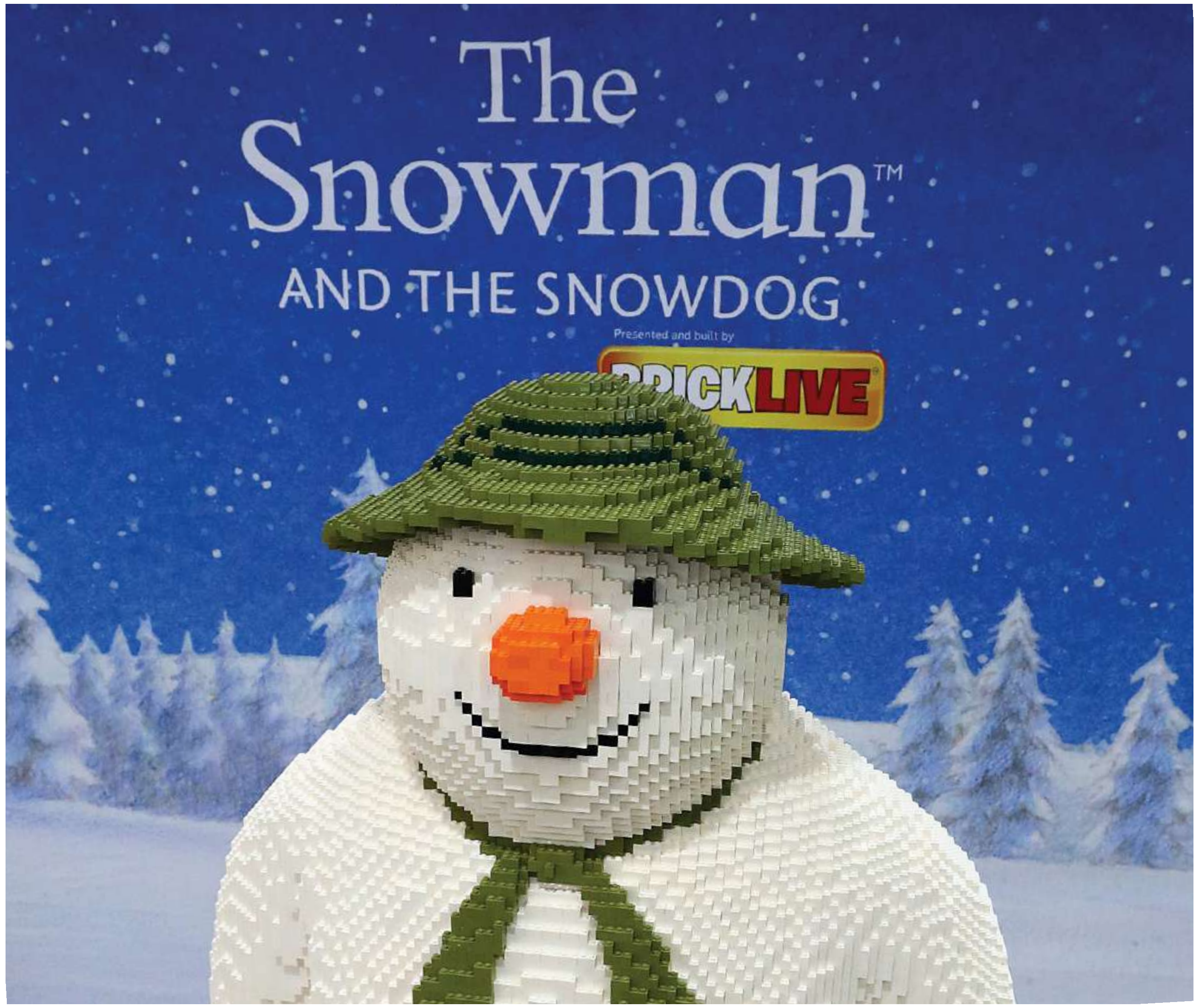
OUR ASPIRATION

TO BECOME A WORLD-CLASS 'EDUTAINMENT' BRAND PROVIDING BRICKLIVE EVENTS, SHOWS AND TOURS GLOBALLY, FOSTERING 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 BUSINESS MODEL

VALUE CREATION THROUGH GLOBAL EXPANSION

BRICKLIVE is seeking to become a global brand having rapidly established a presence in Europe, Asia, South and North America. 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 and destination and tourist attractions globally to facilitate this growth strategy.



01.
SECURING LONG TERM PARTNERSHIPS

Securing key long-term partnerships with Licensed Partners and IP partners globally and distributing popular themed tours globally, are key to delivering recurring revenue streams;

02.
INCREASING BRICKLIVE ASSETS

Increasing our assets, including themed tours, IP licensee and BRICKLIVE trademarked tours that appeal to all customers globally. Ensuring our content is current and fresh, giving audiences what they want to see;

03.
GENERATING SUSTAINABLE, RECURRING REVENUE

Generating sustainable recurring revenue through developing a loyal and repeat customer base through the expansion of the BRICKLIVE Zoo and Touring divisions; and

04.
GROWING GLOBAL PRESENCE

Enhancing our global presence by expanding the number of territories in which BRICKLIVE events are held.

WHAT THIS MEANS FOR LIVE COMPANY GROUP

1. BRICKLIVE PARTNERS – SECURING LONG TERM PARTNERSHIPS

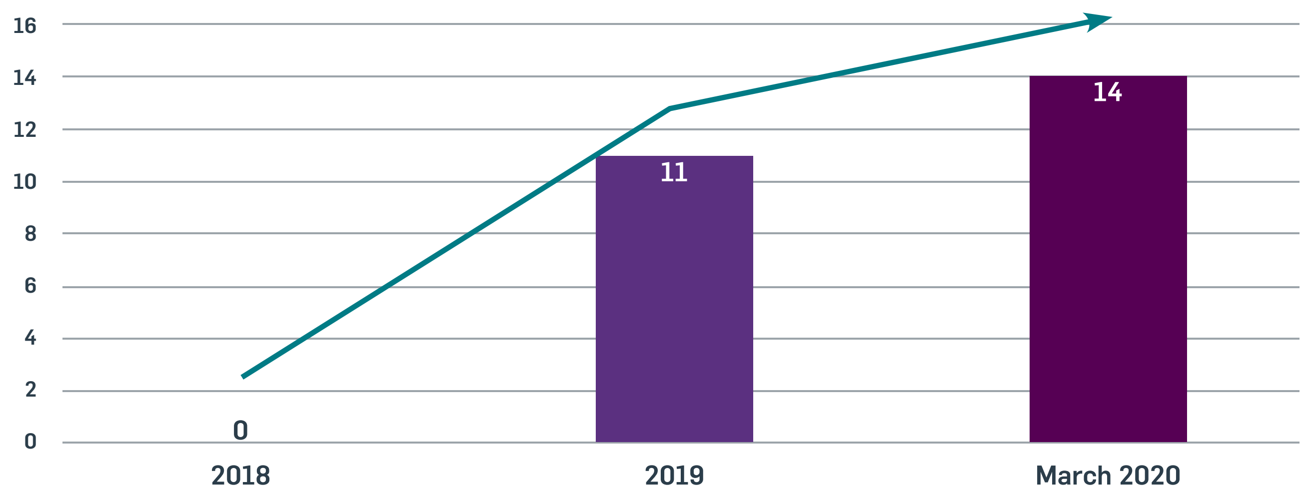
LICENSED PARTNERS – A GLOBAL PRESENCE

The Group continues to expand its global network of Licensed Partners and in 2019, secured multi-year partnerships with new partners across multiple territories. The BRICKLIVE brand has a global network of Licensed Partners which has enabled to Group to create an international presence rapidly. The Group has partners across four continents which include Europe, North America, Asia and Middle East and Africa. The Group's alliances with Southern Hemisphere partners is a strategic opportunity for the Group to maximise the utilisation of BRICKLIVE assets and touring shows during the Northern Hemisphere winter months.

IP PARTNERS – PARTNERING WITH RENOWNED IP BRANDS

In 2019 the Group established the BRICKLIVE IP division which focused on developing and securing long term partnerships with some of the largest IP Partners globally which include Nickelodeon UK Limited and Penguin Random House, one of the world's largest literary publishing house, Entertainment One UK Ltd, owner of the Peppa Pig IP property and The Copyrights Group Limited, owner of Paddington Bear brand. BRICKLIVE has established itself as one of the world's top producer of themed tours for pre-school brands and will continue to develop the IP programme, working with world renowned IP partners in the UK and globally.

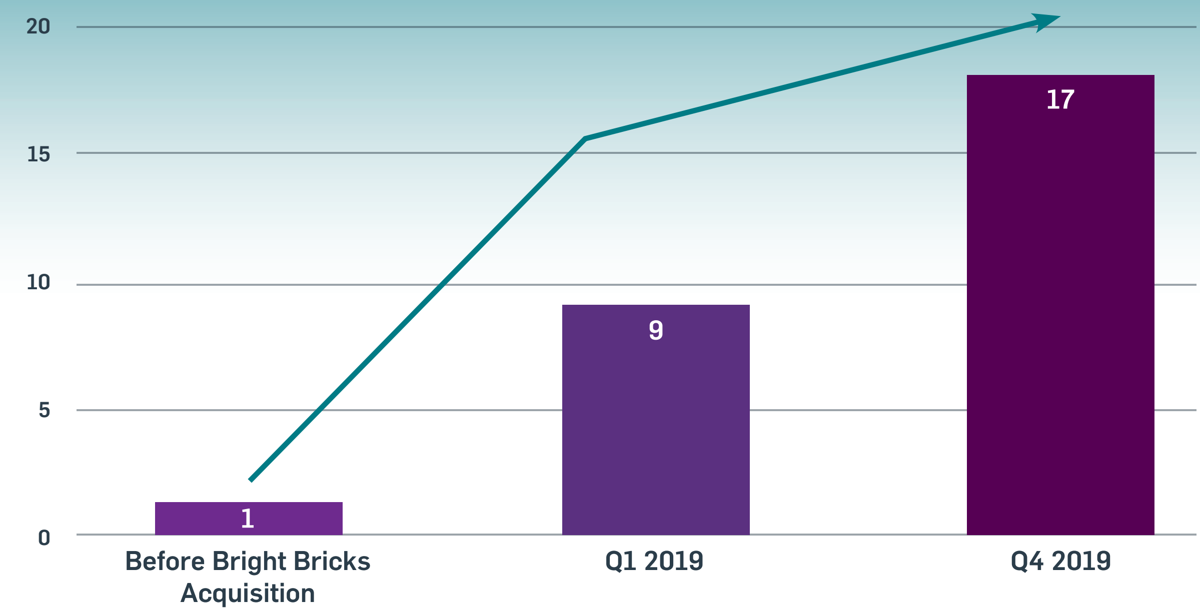
IP Properties



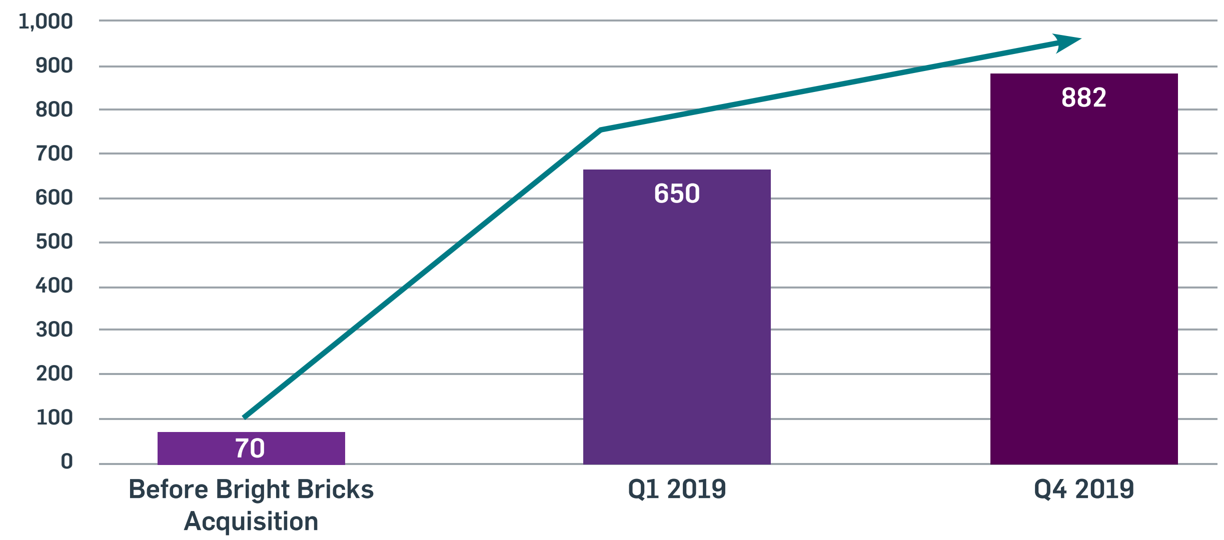
2. INCREASING BRICKLIVE ASSETS

In 2019, the Group increased the number of themed tours to 17 (2018: 9) which included new additions such as BRICKLIVE Brickosaurs, BRICKLIVE Outer Space, BRICKLIVE Ocean (2 themed tours) and increased the number of IP properties which included Paw Patrol, Nick Jr., The Snowman™ and The Snowdog and many more. The Group has trademarks registered in each of the geographical territories for the BRICKLIVE brand and will continue to expand this. This growth in assets demonstrates the expansion of our content through new touring models and features which is key to attracting new partners and customers.

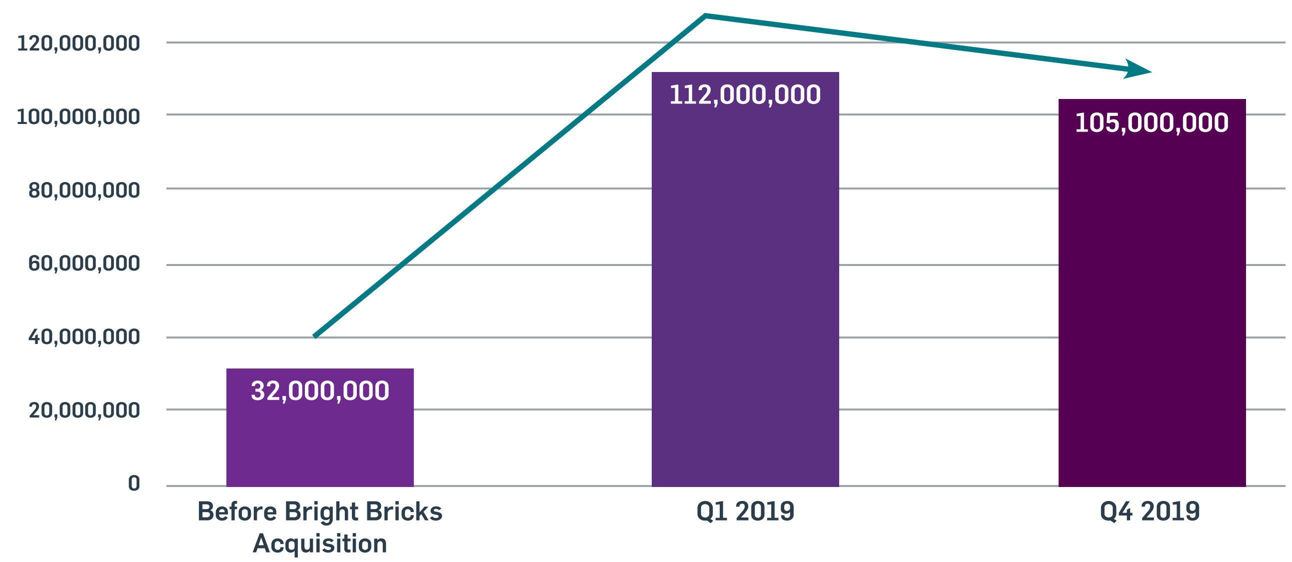
BRICKLIVE Themed Tours



Number of Models



Number of Bricks



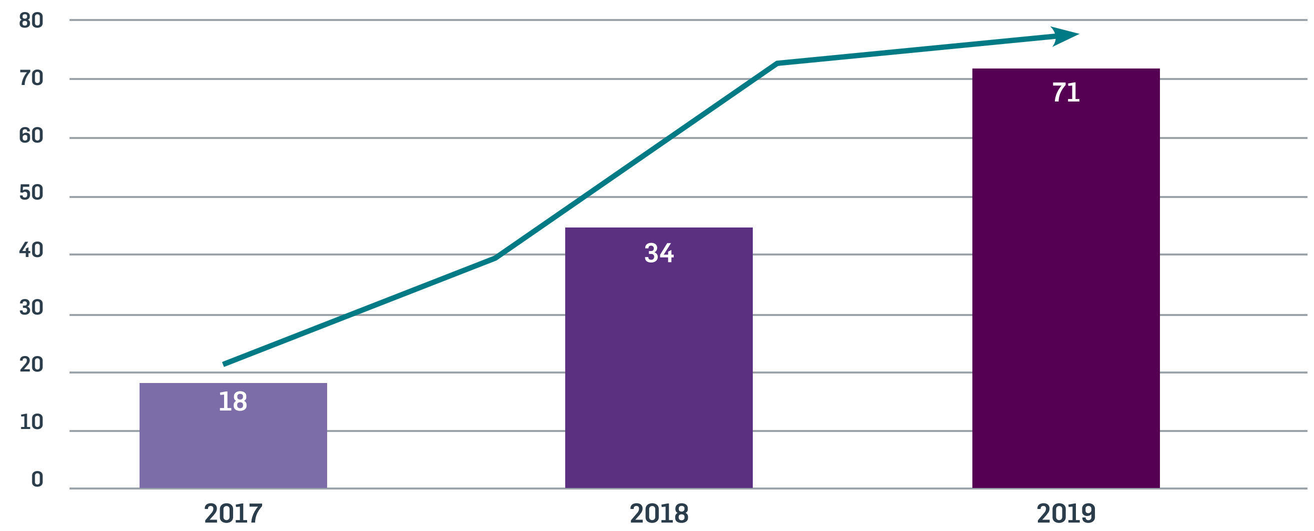
3. GENERATING SUSTAINABLE RECURRING REVENUE

The Group is seeking to develop sustainable, recurring, and predictable revenue streams, achieved through securing multi-year contracts with our partners to deliver shows and events globally. We will develop relationships with existing customers, this includes zoos, aquariums, BIDs, shopping centres and other visitor attractions to increase the repeat customer base through creating and offering popular touring assets and content that appeal to customers, this is key to underpinning the organic growth and performance of the business.

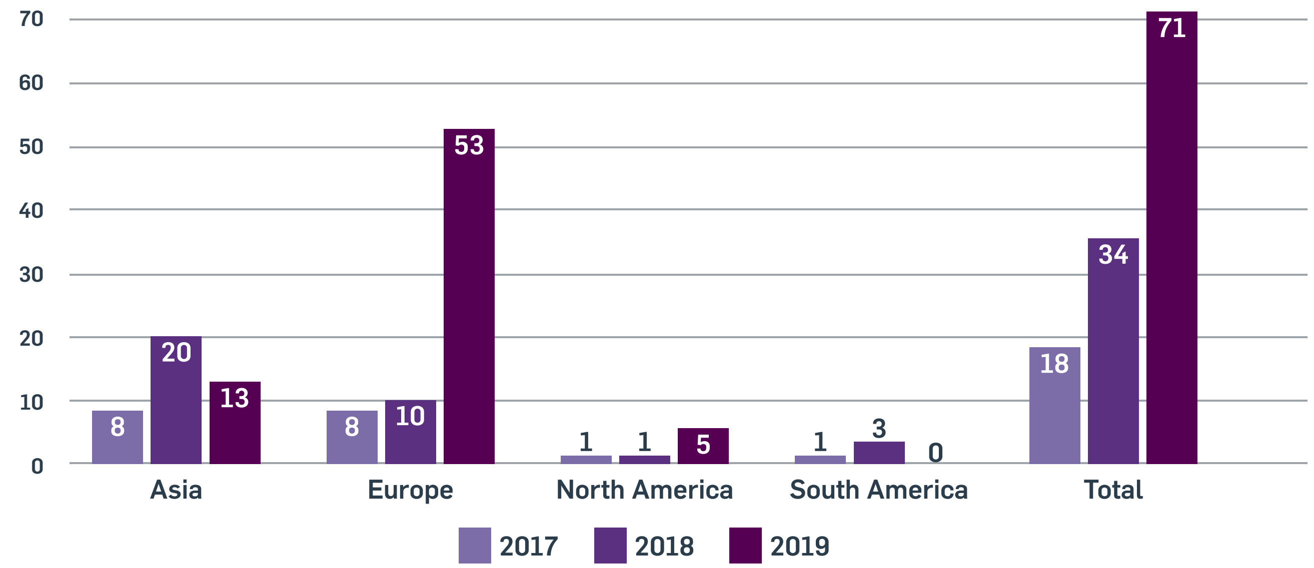
4. GROWING GLOBAL PRESENCE

BRICKLIVE has grown rapidly over the last year and continues to increase its global footprint with 71 BRICKLIVE events taking place in 2019, almost double the events held in 2018 (2018:34). Whilst the majority of BRICKLIVE events took place in Europe, events were also held in North America and Asia.

BRICKLIVE Events



BRICKLIVE Events By Continent



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5. Development of IP Partners

The BRICKLIVE IP division was established in 2019 and has attracted attention from the world's leading media conglomerates and secured some of the world's top pre-school brands. Creating themed tours associated with world famous IP properties complements our existing portfolio of tours. Working with world class entertainment brands is a testament to how far the BRICKLIVE brand has progressed in a short time.

Viacom CBS Incorporation (Nickelodeon)

In June 2019 we signed our first IP partnership with Nickelodeon UK Limited and later with Viacom International Media Networks, part of Viacom Incorporation, to exhibit BRICKLIVE themed tours of a number of their properties globally excluding the United States of America, including Puerto Rico, up to the end of 2024. Paw Patrol, one of the world's most popular pre-school brands, along with Nick Jr., Abby Hatcher, Blaze and the Monster machines, Shimmer and Shine and Sponge Bob Square Pants are just some of the tours which we will be exhibiting.

The first BRICKLIVE themed Paw Patrol tour was launched in Blackburn in August 2019 and was hugely successfully, before visiting Luton and Birmingham city centre where over 150,000 people took part in the trail surpassing all expectations. The partnership continues to go from strength to strength and we are working together to roll out themed tours in other key markets such as Italy, Germany and the Group is looking to expand this into the Benelux region.

Penguin Random House

In September 2019 we announced our second IP partnership with one of the world's largest publishing houses, Penguin Random House. We signed a contract with Snowman Enterprises Limited (SEL) wholly owned by Penguin Books Limited, part of Penguin Random House for the IP property, The Snowman™ and The Snowdog, the partnership is up to January 2022. Despite coming to market in autumn 2019, we secured two bookings at White Rose Shopping Centre in Leeds and Banham Zoo. Following the success of the tours in 2019, the Group is planning to build a third tour for Christmas 2020.

In March 2020 we announced an additional IP property associated with Penguin Random House, the world-famous Peter Rabbit, the partnership is up to January 2023. The first tour is expected to be launched in mid to late 2020. Both deals are for UK distribution.

Entertainment One UK Ltd (Hasbro Incorporation)

In January 2020 we announced our third IP partnership with Entertainment One UK Ltd, part of Hasbro Incorporation, to exhibit one of the world's most popular pre-school brands, Peppa Pig, in the UK up to September 2023. The is a hugely exciting relationship and the first Peppa Pig tour is expected to be launched in summer 2020. We hope to build upon this important relationship further in the coming months.

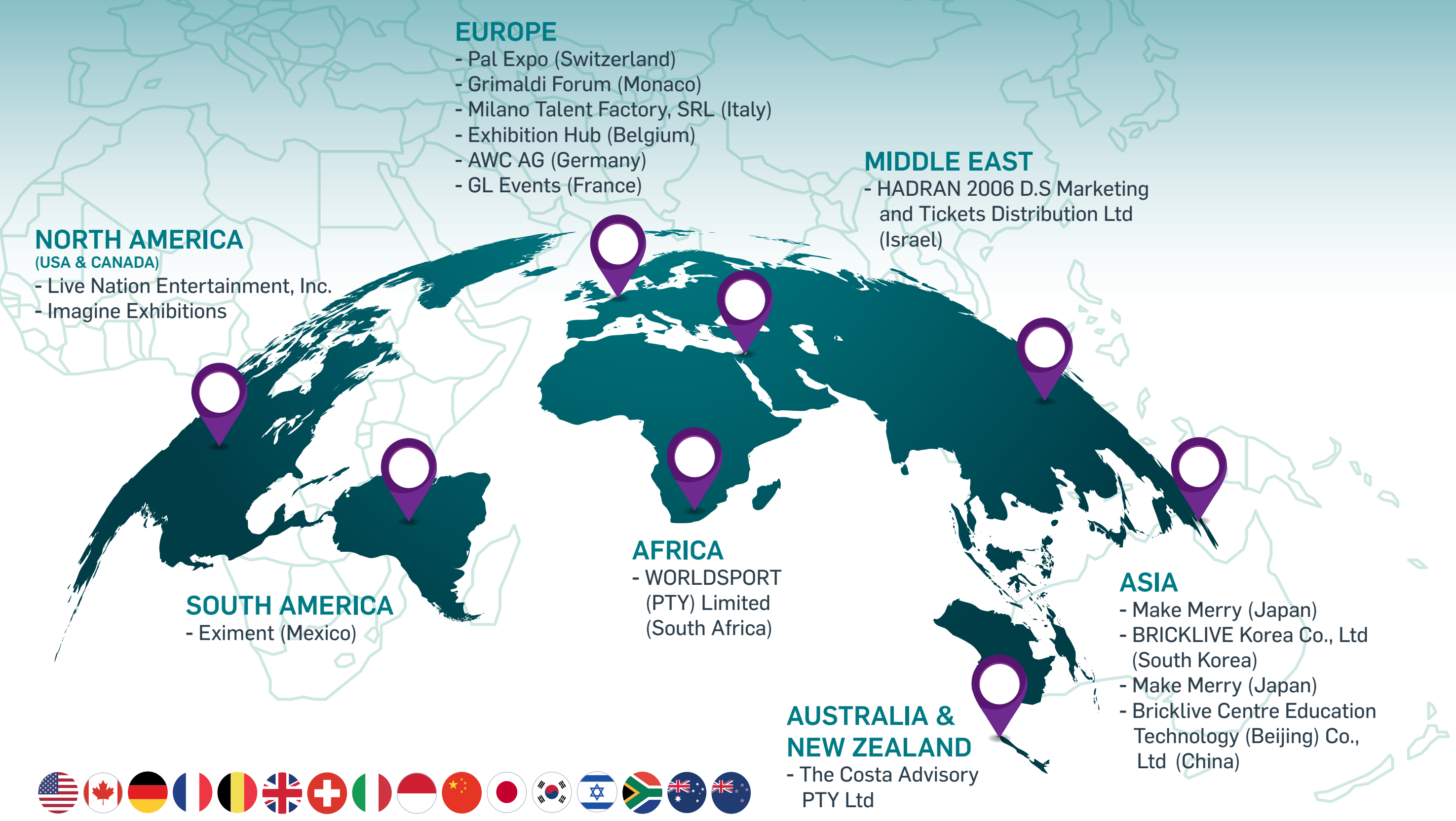
The Copyrights Group Limited

In March 2020, we announced our fourth IP partnership with The Copyrights Group Limited, to produce a touring interactive experience based on the Paddington Bear brand in the UK up to February 2023.

To summarise, securing IP properties such as Paw Patrol and Peppa Pig which are two of the world's most popular pre-school brands and further supplemented by the children's classics such as Peter Rabbit, Paddington Bear and The Snowman™ and The Snowdog is a significant achievement for a brand that is still in the early growth cycle. During 2020, we will work with existing partners to facilitate the roll out of some of the themed tours.

PARTNER MAP

KEY PARTNERS



6. KEY PERFORMANCE INDICATORS ("KPIs")

The primary objectives of the Group in 2019 were to secure the production of content, increase its global presence and increase revenue. The principal internal KPIs revolve around the core objectives:

	2019	2018	Reasons for movement
Revenue growth	11%	178%	Investment in the business, increase in sales and marketing spend
Number of models	882	70	Pre-completion of Bright Bricks group acquisition
Number of shows	71	34	Increase in sales and marketing efforts including sales team
Number of partners	16	7	Focus on expanding global partnerships with Executive Chairman drawing on existing relationships and developing new partnerships

The asset utilisation metric continues to be refined and will be introduced in the next Annual Report.

7. FUTURE DEVELOPMENTS

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.

8. PRINCIPAL RISKS AND UNCERTAINTIES

Managing Our Risk and Opportunities

Risk management is central to achieving the Group's strategy and delivering long-term value to shareholders. The Board, its Committees and the Executive Team are actively engaged in setting the risk appetite as well as managing both risks and opportunities to the Group.

Definition of Risk

Risk is defined as a potential future event that may influence the achievement of business objectives. This includes both "upside" (opportunity) and "downside" (threat) risks. Risks and opportunities can come from a variety of sources and can be directly related to the Company's operational and commercial activities and support functions, or they can arise externally: from third parties such as Joint Venture partners, suppliers, regulators, competitors; from the economic environment or political climate.

Risk Management

The Group operates to ensure that risks are identified, understood, agreed, communicated and acted upon in a timely and consistent manner. It enables informed resource allocation and the delivery of expected results by providing a structured way to foresee the unexpected and be prepared for it. The main objectives for the Group risk management system are:

- Support the achievement of business objectives and safeguard Company assets;
- Integrate consistent risk management methodology into key business processes;
- Create a risk-aware culture where staff actively identify and respond to risks and opportunities; and
- Ensure compliance with legal, regulatory, and ethical requirements.

Identifying Risk and Ownership

Risk management is actively promoted from both a top-down and bottom-up approach where all individuals in the organisation are empowered to highlight risks and opportunities to the business. All agreed risks are allocated to an individual risk owner with mitigations and actions followed up through quarterly reporting to the Executive Team and biannual reporting to the Audit Committee.

Our Principal Risks

The table below indicates the principal risks the Group faces and has been produced following a robust assessment of risk, including consideration of those that would threaten its business model, future performance, solvency or liquidity. The list is not exhaustive or in priority order and may change over time.

Risk	Impact	Control	Owner
1. Protection of IP	– Profitability and cash flow – Increased risk profile – Reduced appetite by investors – Risk of possible claims regarding infringement of their proprietary rights trademarks or patents	– Build strong relationships with partners – Actively monitor potential IP legislation changes	Managing Director
2. Acquisition of new licensee partners	– Inability/delay to secure incremental licence or business partners would decrease growth and profitability	– Develop a pipeline of potential new business and partners – Allocate adequate resources to ensure a steady pipeline year round – Continue investment into the growth of the Zoo Programme and Touring division to reduce dependency on licence partner performance	Director of Sales
3. Business retention	- Contract losses - Damage to reputation - Reduced appetite by investors	– Develop continuous dialogue with existing clients – Engage senior management support with key relationships – Increase focus on account management team so the sales process is as smooth as possible for clients – Ensure delivery of projects meet expected standards and contractual obligations	Director of Sales

4. Change in regulatory or fiscal regime	– Regulatory and tax changes affect profitability and viability of projects and operations – Delay to projects while changes are agreed – Potential renegotiation with licensed and IP Partners	– Regular engagement and communication with government and in-country stakeholders – Monitor potential changes in legislation – Seek stabilisation provisions in key agreements	Chief Financial Officer
5. Production constraints	– Inability to deliver certain projects on time – Inability to acquire sufficient bricks and model builders	– Proactive involvement with a variety of suppliers of bricks – Investigate alternative models such as franchises to avoid potential production bottlenecks – Continuous training and development of builder workforce and increase employee retention	Creative and Production Director
6. Investment risks	– Group fails to meet forecasts and therefore market expectations – Emergence of new competitors or industry disruptors – Equity raises may dilute the interests of existing shareholders	– Ensure market communication is timely and accurate – Engage in regular market reviews – Seek a diversified capital structure with alternative funding solutions	Chief Financial Officer
7. Major Health and Safety Executive (HSE) event	– Loss of life or injury to personnel – Environmental impact – Reputational damage – Exposure to litigation – Financial and operational losses	– Highly skilled, competent, and qualified personnel and subcontractors – Training provided as required – Management and Board commitment – Robust operational HSE processes and procedures – HSE Committee reviews and regular HSE meetings and engagements – Insurance cover	Managing Director
8. Loss of key personnel	– Loss of shareholder confidence – Lack of direction and leadership within the Group – Loss of expertise and knowledge	– Competitive remuneration package in place for key executives, benchmarked regularly relative to the market – Succession planning	Chief Executive Officer
9. Insufficient funds to operate and sustain the business	– Capital constraints due to insufficient funding of work programme, potential impact to long term viability of business	– Long term cashflow management – Finances are controlled through annual planning process with regular forecast updates. Monthly key performance indicators measures performance against plan – Active commitment management and tracking for main contracts – Credit/payment plans in place with creditors/suppliers	Chief Financial Officer
10. Global pandemics	– Prevents all events taking place globally	– Diversified revenue base – Ensure sufficient cash to navigate complete shutdown	Chief Executive Officer

Q&A WITH OUR NEW DEPUTY CHAIRPERSON

Trudy Norris-Grey
Non-Executive Director

Q: Tell us a bit more about yourself, your background and experience. How does your previous executive experience best place you for your new role at Live Company Group?

A: I love seeing businesses grow! And for me – someone who has enjoyed delivering three-decades of significant growth in the Tech industry - this usually happens as a result of focusing on delighting our customers, engaging leading and creative partners, which in turn delights our stakeholders. And that's what I see LVCG doing - for example, LVCG's journey of growth starts becoming a reality when you see the smile of a child when she's enthralled by one of our Animal Kingdom models or one of our mythical beasts, when you clearly see her imagination take-flight and you see her looking for more.

Q: What are your first impressions in your new role as Deputy Chair?

A: I'm excited, of course, we have work to do to navigate the COVID-19 challenges. LVCG's business model sees many analogies with the Tech industry – developing an offer that is replicable around the globe, working with partners to reach scale, focusing on customer satisfaction and repeat business in a new and growing sector. In its 2-year history, the LVCG team has achieved so much already – just take a look at the LVCG 2019 Year Book. It's impressive!

Q: Over the last two months in the role what has been your primary focus?

A: Working to overcome the COVID-19 challenges.

Q: Looking forward what do you hope to achieve/strategy/forward looking plans for the Group?

A: To focus on the shorter- and longer-term opportunities and challenges, to establish scalable processes, mechanisms and partnerships that will deliver profitable growth and to work with the team to constantly deliver against our commitments and to build for sustainable success.

The current pandemic presents its challenges but the demand for LVCG offers remain undiminished – zoos, shopping centres etc are all wanting to keep working with us once they re-open ...which is already beginning to happen.

I'm excited at the opportunity in front of us! And so are my three kids!

TRUDY NORRIS-GREY
Non-Executive Director
22 June 2020

OPERATIONAL REVIEW

BRICKLIVE Licensed Partners
The BRICKLIVE Brand concept was first developed through working with Licensed Partners to manage and stage BRICKLIVE shows in return for an annual license fee or a show fee.

For 2019 the exhibition revenue segment made up 45% of the total revenue for the business. In 2019, we secured multi-year agreements with the following Licensed Partners:

- Imagine Exhibitions Inc., a company incorporated in Georgia, USA, for BRICKLIVE touring shows in North America (being the USA and Canada) up to August 2024;
- AWC AG, a leading exhibition provider, to promote, manage and operate BRICKLIVE events in Germany up to February 2023;
- PALEXPO SA, an exhibition provider, to promote, manage and operate BRICKLIVE shows in Pal Expo, Geneva, Switzerland up to the end of December 2021;
- Exhibition Hub SPRL, an exhibition provider, to promote, manage and operate BRICKLIVE shows in Belgium up to the end of November 2021; and
- BRICKLIVE (South Africa) Limited joint venture partnership with WORLDSPORT (PTY) Limited, a company incorporated in South Africa to promote BRICKLIVE events in South Africa.

In 2019, BRICKLIVE self-promoted the flagship BRICKLIVE show at the NEC, Birmingham. Although it was a success with nearly 20,000 people attending the event, the show was below projected forecasts. Learning from this experience and going forward, all BRICKLIVE shows will be managed and operated by our Licensed Partners, allowing the business to minimise its financial risk and exposure and provide improved visibility regarding contracted revenues.

BRICKLIVE Zoo Programme
Following the creation of the BRICKLIVE Zoo programme in February 2019, the division has performed strongly, accounting for £1,300,000 (24%) of revenue in 2019. We exhibited themed tours in 12 zoos and safari parks across the world:

- Twycross Zoo (UK), BRICKLIVE Safari
- RHS Wisley (UK), BRICKLIVE Safari
- Chester Zoo (UK), BRICKLIVE Big Cats
- Marwell Zoo (UK) – BRICKLIVE Brickosaurs
- Whipsnade Zoo (UK) – BRICKLIVE Safari
- Brookfield Zoo (US) – BRICKLIVE Animal Paradise
- Woburn Safari Park (UK) – BRICKLIVE Safari
- Edinburgh Zoo (UK) – BRICKLIVE Ocean
- Knowsley Zoo (UK) – BRICKLIVE Safari
- Twycross Zoo (UK) – BRICKLIVE Big Cats
- Royal Burgers Zoo (Netherlands) – BRICKLIVE Safari
- AP Franklin Zoo (US) – BRICKLIVE Animal Paradise

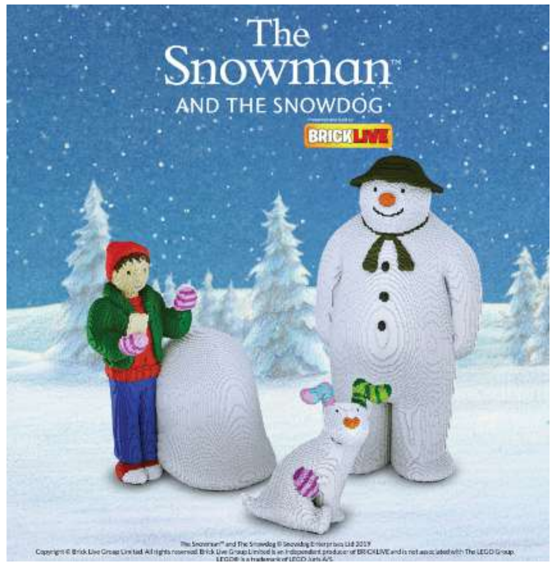
The success of the BRICKLIVE Zoo programme relates to the anecdotal reports that these tours attract footfall to the venues on average reported visitor numbers increased by 13% compared to 2018. The Group will focus on expanding the BRICKLIVE Zoo programme, exhibiting in Europe, America and other territories worldwide.

BRICKLIVE Touring and BRICKLIVE IP Divisions
The Group has invested a significant amount of time developing the BRICKLIVE IP and BRICKLIVE Touring divisions. In its maiden year, the IP division delivered £120,000 (2%) revenue and BRICKLIVE Touring delivered £609,000 (11%) revenue.

During 2019, we built the following themed tours such as BRICKLIVE Brickosaurs, BRICKLIVE Outer Space, BRICKLIVE Ocean (2 themed tours), The Snowman™ and The Snowdog (2 themed tours) and Paw Patrol. The themed tours were exhibited in zoos, aquariums and horticultural societies, town and city centres, BIDs, museums, tourist attractions and shopping centres.

Between the BRICKLIVE Touring, Zoo programme and BRICKLIVE exhibitions, 71 events were held in 2019 which is significant given the short time that has elapsed since the IP and Zoo programme was launched midway through 2019. Building more themed tours to exhibit in venues continues to be fundamental to increasing revenue.

BRICKLIVE IP



Corporate and Consumer Sets

When we acquired Bright Bricks in October 2018, the Company had a strong order book for corporate models and consumer sets. However, this revenue was often unpredictable as enquiries were on an ad-hoc basis. Following acquisition, it was agreed the Group would move towards generating predictable, sustainable and recurring revenue streams and therefore the priority was focused on building touring sets and developing the BRICKLIVE Zoo, Touring and IP divisions which meant capacity to build on an ad-hoc basis was reduced.

In 2019, corporate and consumer sales fell to £974,000 revenue when compared to the previous year (2018: £1,575,000). This was due to large build enquiry from Force India in 2018, we did not experience a similar scale enquiry in 2019 which demonstrates the unpredictable nature of the division and reinforces the Group's decision to move to a more sustainable form of revenue associated with the BRICKLIVE Zoo, Touring and IP divisions. The corporate orders for 2019 ranged from the Vodafone 5G London launch model to the Formula E car that was showcased in Monaco and will continue to be showcased at future events.

Although the Group will continue to pursue opportunities for these revenue streams, the business has now become less reliant on them. Any ad hoc large orders will have a positive effect on current projections.

CORPORATE BUILD, GRIMALDI FORUM, MONACO

POST BALANCE SHEET OPERATIONAL EVENTS

BRICKLIVE Licensed Partners

In 2020 BRICKLIVE signed a five-year representation agreement with Mr Stefano Bethlen of Milano Talent Factory (MTF). Mr Bethlen has significant experience in the Italian market given his previous role as Chief Marketing Officer with The Walt Disney Company. MTF will represent all elements of the BRICKLIVE brand and we believe that Italy will become a major growth centre.

BRICKLIVE signed a three-year representation agreement with The Costa Advisory PTY LTD ("TCA"), a company registered in Victoria, Australia. Under the terms of the agreement, TCA will seek to assist the Group in expanding its presence in Australia and New Zealand, to identify suitable venues to stage BRICKLIVE shows and tours.

BRICKLIVE Tour and Show, Israel. Building on the agreement in 2019, the Group has signed an agreement with HADRAN 2006 D.S Marketing and Tickets Distribution Ltd to lease the BRICKLIVE Brickosaurs tour.

BRICKLIVE Zoo Programme

We have recently signed the following agreements with new customers:

- Allwetter Zoo, Munster, Germany to hire BRICKLIVE Big Cats; and
- Bristol Zoo, UK to hire BRICKLIVE Ocean.

BRICKLIVE IP expansion into 2020

The Group has secured new IP partners:

- In January 2020 we announced our IP partnership with Entertainment One UK Ltd, part of Hasbro Incorporation to exhibit one of the world's most popular pre-school brand, Peppa Pig in the UK up to September 2023.

- In March 2020, we announced a further IP property associated with the Penguin Random House, the world-famous Peter Rabbit, the partnership is up to January 2023. We look forward to the first tour being launched.

- In March 2020 we announced our partnership with The Copyrights Group Limited, to produce a touring interactive experience based on the Paddington Bear brand in the UK up to February 2023.

BRICKLIVE Consumer and Customer Sets

In 2019 many of the consumer sets were provided to customers as part of a promotional initiative. This activity will continue in 2020 and plans are now in place to grow and further monetise our merchandise range.

Warehousing

During the latter part of 2019 and in early 2020, the Group exited from two storage units in Bordon and started to use its new base in Runcorn to consolidate its expanding warehousing requirements. This should bring efficiencies compared to the previous multi locational storage facilities by reducing rental costs and speeding up the ability to deploy Content.

FINANCIAL REVIEW

I am pleased to present this year's financial statements which illustrate another year of solid growth, not only in revenue, gross margin and pre-exceptional EBITDA, but also the number of Touring Assets built and the diversification of the customer base, in particular, throughout the UK.

Even more important is the decisive and immediate measures that have been implemented in respect of the Group's reaction to the COVID-19 pandemic. In summary, the Group has:

- Added an additional £750,000 of debt finance in April 2020 being £500,000 from David Ciclitira and £250,000 from NatWest under the terms of a government backed Coronavirus Business Interruption Loan Scheme (CBILS);
- Made use of the government Coronavirus Job Retention Scheme and furloughed 61 staff, (approximately three quarters of the total eligible workforce);
- Agreed with senior staff and certain suppliers to settle liabilities partly in shares thereby conserving cash; and
- Surrendered the lease on a storage unit and consolidated all stock in Runcorn, saving an additional £40,000 per annum.

As previously mentioned in the Chairman's report, the BRICKLIVE Zoo programme is starting to demonstrate strong returns and we expect this trend to continue for the foreseeable future.

An overview of the financial results for the year ended 31 December 2019 is set out below.

	2019	2018
Revenue	**5,451**	**4,920**
Gross profit	3,091	2,258
Gross profit %	57%	46%
Administrative expenses	(3,702)	(3,021)
Share of results of associate	86	-
Operating loss before exceptional items	**(525)**	**(763)**
Addback: Depreciation and amortisation	670	371
Pre-exceptional items EBITDA	**145**	**(392)**
Exceptional items:		
Share option and warrant charge	(218)	-
Other exceptional costs	(894)	(1,339)
Total exceptional costs	**(1,112)**	**(1,339)**
Loss from discontinued operations	-	(500)
Depreciation and amortisation	(670)	(371)
Finance costs	(207)	(8)
Taxation	(341)	-
Loss after tax	**(2,185)**	**(2,610)**

The Group uses alternative performance measures such as pre-exceptional EBITDA (PXEBITDA) to allow the users of the consolidated financial statements to gain a clearer understanding of the underlying performance of the business without the impact of one off non-recurring costs of an exceptional nature.

PXEBITDA is after ongoing Plc headquarter corporate costs for the year amounting to £1,365,000 (2018: £999,000).

The Trading Update issued in January 2020 indicated an initial unaudited EBITDA of £705,000. This can be reconciled to the above pre-exceptional EBITDA of £145,000 as follows:

	£'000
EBITDA RNS 17 January 2020	**705**
Expensing deferred costs relating to 2020 events*	(123)
Debtor provisions	(206)
Reclassification of exceptional items to overheads	(80)
Additional accrued costs	(86)
Other adjustments	(65)
Pre-exceptional EBITDA as above	**145**

*Costs directly associated with contracted events scheduled in subsequent periods are deferred and matched against the revenues generated from those events. These expenses relate to contracts which were not signed at the balance sheet date.

Revenue

Revenues from continuing operations increased 11% in 2019 from £4,920,000 in 2018 to £5,451,000 in 2019.

The 2018 revenue included a major one-off $1.6m contract from China. Excluding the large China sale in 2018, overall year on year growth amounted to 48%. The major driver of this growth can be attributed to the expansion and success of the Group's more predictable, touring activities with 71 shows and events held in 2019 compared to 34 in 2018. Most significantly, the Group's investment in its BRICKLIVE Zoo programme is starting to produce strong returns.

As a result of the acquisition of Bright Bricks Group in October 2018, the Group has focused its attention on increasing the touring revenue business in the UK. This has also resulted in a far wider diversification of customers in the year and less reliance on unpredictable global revenues. Continuing revenues in each of the target geographical areas during 2019 are as follows:

Geographical location	2019 £'000	2018 £'000	% increase
United Kingdom	2,923	637	359%
Europe	930	1,064	(13%)
USA	406	-	-
South America	46	107	(57%)
Asia	1,111	3,112	(64%)
Middle East	35	-	-
Total	5,451	4,920	11%

Gross profit

The new strategy into the Touring model and the launch of the BRICKLIVE Zoo programme has increased the gross profit for the year to 57% (2018: 46%).

Operating expenses

The Group is currently structured so that there should not be any significant increase in overheads irrespective of the increase in revenues. Overheads in 2019 increased as a result of the business absorbing a full year of overheads of its subsidiary, Bright Bricks Group which was acquired in October 2018.

Exceptional items

Exceptional items of £1,112,000 (2018: £1,339,000) relate to IFRS2 share option and warrant charge, exceptional bad debt provision and transactional and reorganisational costs as detailed in Note 7 to the consolidated financial statements.

Finance costs

Finance costs principally comprise interest charges on the Riverfort loan and interest on lease liabilities in accordance with IFRS 16.

Tax

The tax charge relates to deferred tax arising on timing differences and the write back of the Bright Bricks Group corporation tax provision.

Loss per share

The loss per share from continuing activities decreased to 3.1p (2018: loss 3.8p) as set out in Note 13 to the consolidated financial statements.

Cash flows

The consolidated Statement of Cash Flows is set out on page 52 to these consolidated financial statements.

The Group's investment in its property, plant and equipment in the year amounted to £1,265,000 demonstrating the commitment to the aggressive Content Asset Building programme.

To facilitate the funding of this programme, during 2019, the Company issued new equity of £2,030,000, less expenses. A further £300,000 was drawn down from the Riverfort facility as detailed in Note 23.

Although outlined at the start of this report, it is worth repeating the significant work done by David Ciclitira and the rest of the finance team in response to the COVID-19 pandemic:

- The injection of a £500,000 loan from the Chairman, David Ciclitira;
- Obtained a £250,000 unsecured term loan from NatWest with a 12-month repayment holiday;
- Extended the repayment timetable for the Riverfort loans;
- Utilised government schemes to defer tax liabilities and furlough several members of the team;
- All staff earning over the UK Government's support amount for PAYE employees of £2,500 a month, took a 25% pay cut in April 2020 which increased to 50% in May 2020. The decreases in pay include all senior management and Directors. This reduction will be made up later in the year with the issue of new shares in the Company;
- Agreed to settle liabilities with share-based payments for a number of employees and contractors; and
- Surrendered the lease on a storage unit and consolidated all stock in Runcorn, saving an additional £40,000 per annum.

Statement of Financial Position
The consolidated Statement of Financial Position as at 31 December 2019 shows the Group's total net assets having increased to £13.7m (2018: £10.6m).

Capital expenditure
Content additions during the year amounted £1,239,000 (2018: £983,000) and successful trademark application increased by £33,000 (2018: £55,000).

Investments and impairment
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 Hong Kong registered company, Brick Live Far East (BLFE) (£2,950,000). No impairment was required at 31 December 2019 however, the outbreak of COVID-19 will impact the post balance sheet value of the Group net assets as outlined below.

COVID-19
In accordance with IAS 10 'Events after the Reporting Period' the COVID-19 pandemic, and in particular the various measures taken to contain it, do not provide additional evidence about conditions that existed at 31 December 2019. Accordingly, COVID-19 is considered to be a non-adjusting event and the Directors have not made any adjustments to these consolidated financial statements arising from COVID-19.

However, post year end, the Directors have further considered the carrying value of goodwill and investments and have determined the following adjustments will be required in 2020:

Reduction of asset value	Group £'000	Company £'000
Brick Live Far East	3,036	3,036
Parallel Live Group	375	104
Bright Bricks Group	86	8,423
Total reduction	**3,497**	**11,563**
Net assets 31 December 2019	13,659	20,446
Net assets COVID-19 adjusted	**10,162**	**8,883**

Cash and debt position
At the year end, the Group had total cash balances of £98,000 (2018: £120,000) and total borrowings of £995,000 (2018: £1,000,000) giving a net debt figure of £897,000 (2018: £880,000). During the year, the Group raised new equity in February and May and successfully renegotiated and extended the loan from Riverfort.

As set out in more detail in Note 36, since the year end, the Company received an unsecured loan of £250,000 in addition to the loan from David Ciclitira of £500,000.

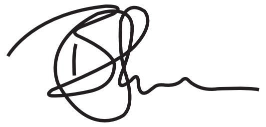
Share options and warrants
During the year, the Company granted options to certain Directors and senior management. Warrants were issued to Riverfort, certain investors and service providers. Further information is set out in Note 31 to the consolidated financial statements.

Going concern
Based on the overall strength of the Group's balance sheet and a review of its forecast future operating budgets and forecasts, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. This review of future operating budgets and forecasts included certain reasonable downside scenarios and confirmed that even in the case of such downside scenarios the Group could continue to operate and comply with all covenants in our banking facilities. Accordingly, the Directors have adopted the going concern basis in preparing the Annual Report and financial statements.

The Directors have assessed the viability of the Group over a five-year period, taking account of the Group's current position and prospects, its strategic plan and the principal risks and how these are managed. Based on this assessment, the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over this period.

In making this assessment, the Directors have considered the resilience of the Group in severe but plausible scenarios, taking into account the principal risks and uncertainties facing the Group and the effectiveness of any mitigating actions. The Directors' assessment considered the potential impacts of these scenarios, both individually and in combination, on the Group's business model, future performance, solvency and liquidity over the period. Sensitivity analysis was also used to stress test the Group's strategic plan and to confirm that sufficient headroom would remain available under the Group's credit facilities. The Directors consider that under each of these scenarios, the mitigating actions would be effective and sufficient to ensure the continued viability of the Group. The Directors believe that five years is an appropriate period for this assessment, reflecting the average length of the Group's contract base; key markets; and the nature of its businesses and products.

Summary
2019 was a year of significant investment in building assets to enable future growth for the Group This momentum has been interrupted by COVID-19 but this has been mitigated by immediate and effective action to control costs at the same time as acquiring additional debt funding.



BRYAN LAWRIE
Chief Financial Officer
22 June 2020

02
CORPORATE GOVERNANCE

BOARD OF DIRECTORS

DAVID CICLITIRA
Executive Chairman

During his 36 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 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 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'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 2018, 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.

This wealth of experience allows David to provide first class leadership skills to LVCG at the same time as being able to drive and accelerate new business opportunities.

TRUDY NORRIS-GREY
Non-Executive Deputy Chairperson

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. Trudy has also held leadership positions at Microsoft, Oracle, Sun Microsystems, and BT. Trudy's background demonstrates the varied and balanced leadership qualities needed to provide rigour in high performing public listed business.

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. Bryan's previous experience in many CFO roles provides LVCG with a wealth of financial and commercial accounting skills required in a fast-moving organisation. His understanding of working with dynamic business models provides a robust platform to help grow the business.

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. Ranjit's corporate finance experience provides the Board with first class corporate strategy and structure advice.

SIMON HORGAN
Non-Executive Director

Following the acquisition of Bright Bricks Simon Horgan 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 £318m deal for the Abu Dhabi government. Prior to joining ADNEC Simon was the COO for the National Exhibition Centre in Birmingham. Simon's experience of creating and leading the growth of international event spaces provides the Board with relevant and commercial advice from both the Group's and clients' perspective.

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) and 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 LVCG. Serenella Ciclitira is David Ciclitira's long term partner. Serenella's international expertise provides the Group with an effective sounding board when dealing with different cultures around the world. Along with Trudy, Serenella gives the Board a very gender balanced view of matters being discussed.

MARK FREEBAIRN
Non-Executive Director

Mark has a significant amount of experience with AIM quoted companies. He began his career with Martin Ward Anderson, as a graduate trainee, and went on to become one of four directors of the company from June 1995 to January 2003. Mark is currently a Partner and Head of the Financial Management Practice of Odgers Berndtson, an executive search company based in London. Odgers Berndtson's Financial Management Practice appoints Finance Directors and CFOs across all sectors in a range of businesses, both public and private, and is a leader in its market niche. He is a member of the ICAEW Corporate Governance Committee. Mark previously held Non-Executive Director positions with Global Data Plc from July 2009 to April 2017 and Progressive Digital Media EBT Limited from November 2009 to December 2013. Mark's brings invaluable London city experience to the Board.

THE EXECUTIVE TEAM

The Executive Team (formerly named Executive Board) was created early in 2019 and is chaired by David Ciclitira, the Group's Executive Chairman and attended by Simon Horgan, Non Executive Director. The Executive Team is responsible for day-to-day operations and the development of strategic plans which are considered by the Board. The Executive Team has appointed Simon Horgan as its Deputy Chairman. The Executive Team contains additional expertise in production, operations, design services as well global event planning events and ordinarily meets each month. Since the COVID-19 outbreak, the Executive Team has been meeting daily. It consists of:

The Executive Board consists of the following:

Name	Position
David Ciclitira(1)	Executive Chairman
Simon Horgan(2)	Deputy Chairman
Richard Collett	Director of Finance and Operations
Ed Diment	Creative and Production Director
Jon Gayton	Managing Director
Tina Anthony	Director of Sales
Sarah Ullman	Chief Operating Officer

Notes:
(1) Executive Chairman on the Board of Live Company Group plc
(2) Non-executive Director on the Board of Live Company Group plc

Shareholder Relations
During the year, we engaged with our Shareholders through a number of approaches. We began the year with the launch of a Company Newsletter to keep shareholders updated of BRICKLIVE activities, eight Company Newsletters were published in 2019.

The Company held a teleconference call with shareholders on 21 June 2019 and on 19 July 2019, the Annual General Meeting was held in London. We also held a further meeting with shareholders on 30 September 2019 regarding the publication of the 2019 half year results and again on 17 January 2020. Finally, we continually update the LVCG website where shareholders can find the latest information.

CORPORATE GOVERNANCE

Chairman's Corporate Governance Statement

Dear Shareholders

As Chairman I am committed to ensuring that good corporate governance is adhered to and recognise that it underpins the foundations of business. The Board is committed to fit-for-purpose corporate governance across the business, from executive level and throughout the business. The Company made the decision to adopt the Quoted Companies Alliance Corporate Governance Code 2018 ("the QCA code"). I firmly believe in the importance of excellent governance from the top of an organisation and to that end I have asked deputy chair Trudy Norris-Grey to assist me in ensuring that we, as a company, always have this in mind. The QCA Code and the principles contained within this code are valued by the Company and seen as essential building blocks for the underlying development of the business. As Chairman it is my duty to ensure that excellent standards of governance are maintained and cascaded down throughout the organisation.

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 (QCA) 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 apply 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.

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 licence and content fee.

The Group has partners throughout the world including Asia, Europe, North America, Middle East and Africa, 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 though 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 licensee partners. 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.

Contractors and 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 on pages 17 to 18. 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 32 and 33.

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 a Compliance Committee, 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 2018, 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 carries out an annual evaluation of its performance and effectiveness.

The Group carried out its first Board evaluation in 2019, resulting in the appointment of Mark Freebairn and promotion of Trudy Norris-Grey to Deputy Chairperson.

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 polices 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.

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 2019 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.

It is crucial to ensure the Company is compliant with AIM Rule 31 and that the Company must have in place sufficient procedures, resources and controls to enable it to comply with the AIM Rules Compliance Committee and the AIM Rules Compliance Policy. The AIM Rules Compliance Committee comprises Sarah Dees, Ranjit Murugason and David Ciclitira (Chair).

The Compliance Committee was formed towards the end of 2019. It is responsible for overseeing compliance with AIM Rules and will include bimonthly meetings with the Nomad. The Committee will review the Insider Company List and will ensure this is maintained and kept up to date, where appropriate.

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. Trudy Norris-Grey is invited to attend each meeting. The Audit Committee meetings occur at least twice each financial year and in 2019 met twice. In 2019, the Committee:

- Approved audited and interim financial statements; including key judgements and policies to ensure they are fair, balanced and understandable for our shareholders;
- Reviewed and recommended the reappointment of our external Auditor, Moore Kingston Smith LLP, including fee structure; and
- Carried out a comprehensive review of the Company's Financial Position and Prospects Procedures manual.

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 Mark Freebairn. The Remuneration Committee meetings occur at least twice each financial year and in 2019 met four times.

In 2019, the Remuneration Committee considered the remuneration package for the Executive Team and determined the awarding of share options. They will continue to monitor the pay and benefits of all Executives.

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 2019 met twice.

In 2019, the Nomination Committee reviewed the composition of the Board and continually monitored the requirement of the QCA Code to which the Company adheres with regards to the balance of the Board.

The Executive Team retains full control of the Group's operational management but has delegated day to day control to Executive Directors. The Executive Team came into effect in Q1 2019. A full description of the Executive Team is found on page 34.

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.

We also continue to donate 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 report was approved by the Board of Directors on 22 June 2020 and signed on its behalf by

DAVID CICLITIRA
Chairman
22 June 2020

DIRECTORS' REPORT

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.

Principal activities
The principal activity of the Group is to create and provide Content for BRICKLIVE shows and events worldwide.

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 2019 (2018 - £Nil).

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

David Ciclitira	-	Executive Chairman
Bryan Lawrie	-	Chief Financial Officer
Simon Horgan	-	Non-Executive Director
Ranjit Murugason	-	Non-Executive Director
Trudy Norris-Grey	-	Non-Executive Director
Serenella Ciclitira	-	Non-Executive Director
Mark Freebairn	-	Non-Executive Director (appointed 1 October 2019)
Andrew Smith	-	Executive Director (resigned 2 September 2019)

Directors' interests in shares
The beneficial interests in the Ordinary share capital of the Company of the Directors in office at 31 December 2019 were as follows:

Director	2019 1p Ordinary shares	2018 1p Ordinary shares
David Ciclitira (and owned companies)*	27,397,373	26,975,815
Serenella Ciclitira*	1,562	1,562
Ranjit Murugason	1,220,317	997,241
Bryan Lawrie	15,384	15,384
Simon Horgan (held through Horgan Investments Limited)	3,252,330	2,820,512
Trudy Norris-Grey	-	-
Mark Freebairn	455,252	70,367

* connected persons

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

Holder	2019 1p Ordinary shares	2018 1p Ordinary shares	Beneficial interest
David Ciclitira	27,074,407	26,652,849	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)
	27,398,935	**26,977,377**	

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 81,001,194 1p Ordinary shares in issue as at 31 May 2020.

	No. of 1p Ordinary shares	% of issued share capital
David Ciclitira Concert Party*	27,536,436	34.00
Brick Live Lab Ltd**	9,832,060	12.14
CIDEA Limited**	333,333	0.41
Ed Diment	3,815,737	4.71
Duncan Titmarsh	3,703,031	4.57
Simon Horgan	3,152,330	3.89
Fortune Access Ltd	3,000,000	3.70
YA II PN, Ltd.	2,913,240	3.60
Riverfort Global Opportunities PCC Ltd.	2,913,240	3.60
Clive Nörgaard Morton	2,490,500	3.07
	59,689,907	**73.69**

* David Ciclitira interest includes Ordinary Shares held directly by him, Ordinary Shares held through his connected entities including Zedra Trustees (Jersey) Limited and Luna Trading Limited and Ordinary Shares held by Serenella Ciclitira.

** Brick Live Lab Ltd and CIDEA Limited are controlled by Mr Hyun Seok Kim.

Current Director Shareholdings
Set out below are the Directors' interests in the Ordinary share capital of the Company at 31 May 2020 together with details of options and warrants as set out in Notes 28 and 31.

	No. of 1p Ordinary shares	% of issued share capital	No. of warrants	No. of options
David Ciclitira (and owned companies)*	27,534,874	33.99%	480,765	1,341,891
Serenella Ciclitira*	1,562	0.00%	-	-
Simon Horgan (held through Horgan Investments Limited)	3,152,330	3.89%	-	-
Ranjit Murugason	1,320,317	1.63%	-	-
Bryan Lawrie	90,384	0.11%	-	335,472
Trudy Norris-Grey	-	-	-	-
Mark Freebairn	471,919	0.58%	480,765	-
	32,571,386	**40.20**	**961,530**	**1,677,363**

* 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.

Material Interests
So far as the Board is aware, no director had any material interest in a contract of significance (other than their service contract) with the company or any of its subsidiary companies during the period.

Post balance sheet events
Post balance sheet events have been detailed in the Strategic Report and in Note 36.

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 Moore Kingston Smith LLP as auditors for the Company for the financial year 2019. A resolution to re-appoint Moore Kingston Smith LLP will be put to the shareholders at the next Annual General Meeting.

On behalf of the Board

DAVID CICLITIRA
Chairman
22 June 2020

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.

REPORT OF THE INDEPENDENT AUDITOR

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 2019, 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 2019 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
Carrying value of Goodwill and related cost of investment 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).	We re-performed the calculations of the cost of investment and goodwill arising on the acquisition of Bright Bricks. 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 flow and profit forecasts including an assessment against current year trading to date.
Assessment of the accounting treatment of options and warrants issued The company issued share options during the year under a Share Option Plan adopted in April 2019 and also issued warrants in the year in connection with an equity fund raise.	We re-performed the Black-Scholes option pricing model calculation of the share option and warrants charge prepared by the Directors under IFRS 2. We critically assessed and challenged the variables used by the Directors in their Black-Scholes calculation. We critically assessed the Directors' assertion that the warrants issued as part of the equity fund raise were issued to equity holders in their capacity as equity holders and were therefore outside the scope of the requirements of IFRS 2.
Equity Share Agreement The company entered into a subscription agreement and an Equity Share Agreement (ESA) in the year.	We re-performed the Directors' calculations used in the ESA model. We critically assessed and challenged the inputs used by the Directors in their ESA model. We critically assessed whether there is an embedded feature in the host contract which should be accounted for as a derivative as required by IFRS 9.
Going concern Although the group had net current assets at 31 December 2019, the group's activities have been significantly impacted subsequent to the year end by the COVID-19 pandemic and the measures taken to contain it. The group has incurred a further significant loss in the period to the date of approval of the financial statements and has limited cash funds currently available. These factors indicate the existence of uncertainties at the date of signing the consolidated financial statements as to whether the group can continue to operate as a going concern.	The Directors have prepared cash flow forecasts for the period to 31 December 2024. We have critically assessed and challenged the assumptions included in these cash flow forecasts. We have assessed the Directors' ability to raise further funds either by way of debt finance or equity fundraise or by the provision of additional support to the group. We have critically assessed the disclosures included in note 1.1 to the consolidated financial statements.

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 £47,500 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 42, 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.

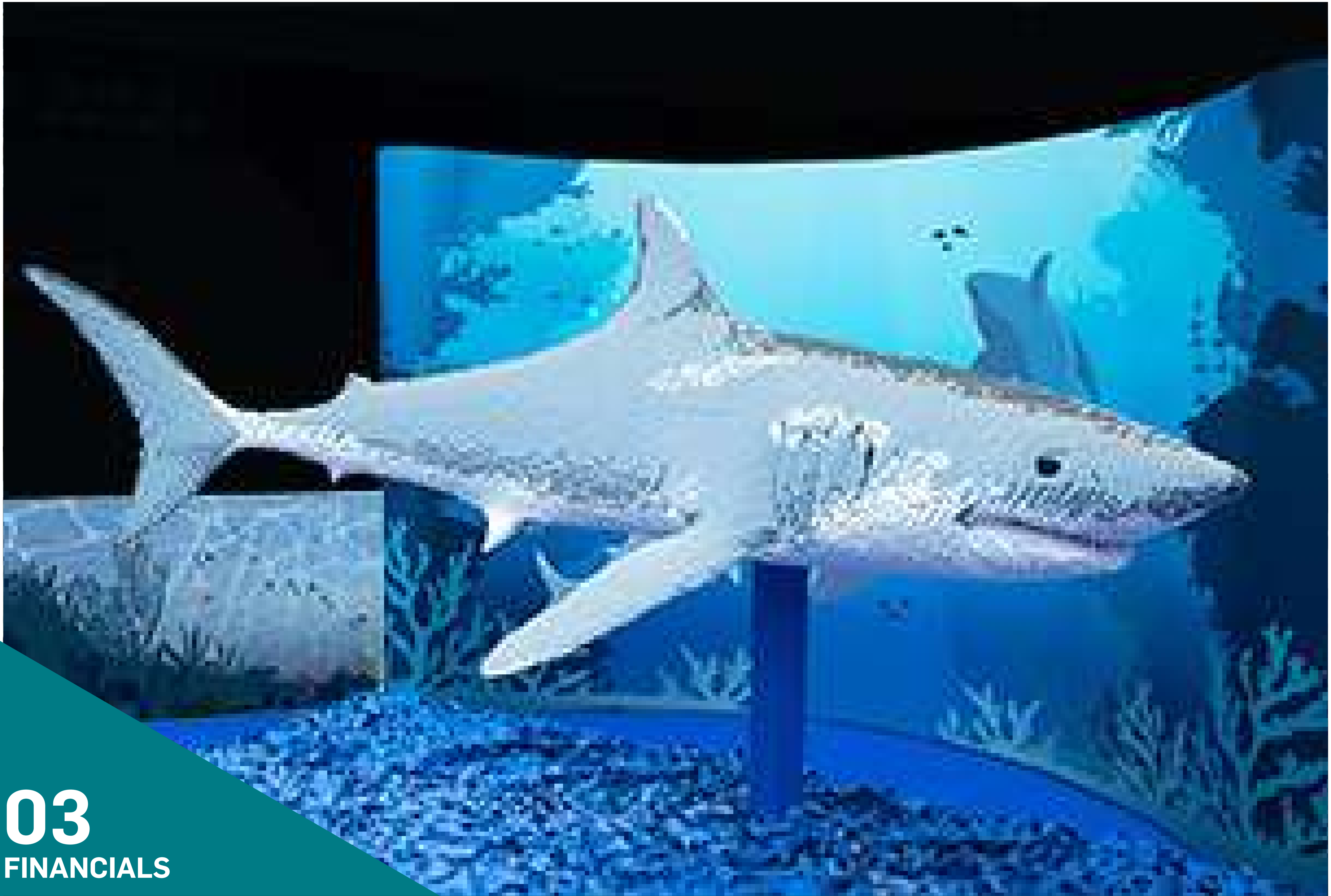
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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 Moore Kingston Smith LLP, Statutory Auditor

22 June 2020
Devonshire House
60 Goswell Road
London EC1M 7AD



03 FINANCIALS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 December 2019

	Note	Year to 31 December 2019 £'000	2018 £'000
Continuing operations			
Revenue	4	5,451	4,920
Cost of sales		(2,360)	(2,662)
Gross profit		**3,091**	**2,258**
Administrative expenses			
Foreign exchange		(40)	41
Depreciation and amortisation of non-financial assets		(78)	(24)
Other administrative expenses		(3,584)	(3,038)
Total administrative expenses		**(3,702)**	**(3,021)**
Share of result of associate	19	86	-
Operating loss before exceptional items	6	(525)	(763)
Exceptional items	7	(1,112)	(1,339)
Operating loss after exceptional items		(1,637)	(2,102)
Finance costs	11	(207)	(8)
Loss for the year before tax		(1,844)	(2,110)
Taxation	12	(341)	-
Loss for the year from continuing operations		(2,185)	(2,110)
Discontinued operations			
Loss for the year from discontinued operations	5	-	(500)
Loss for the year		(2,185)	(2,610)
Other comprehensive income		-	-
Total comprehensive income for the year attributable to the equity holders of the parent Company		(2,185)	(2,610)
Loss per share			
-basic and diluted	13	(3.1)p	(4.7)p

STATEMENTS OF FINANCIAL POSITION as at 31 December 2019

	Note	Consolidated 2019 £'000	Consolidated 2018 £'000	Company 2019 £'000	Company 2018 £'000
Non-current assets					
Property, plant and equipment	14	4,152	3,551	-	-
Intangible assets	16	76	50	-	-
Right of use assets	15	292	-	-	-
Trade and other receivables	21	2,000	-	2,000	-
Investments	17	-	-	17,450	17,450
Goodwill	18	4,307	4,307	-	-
Investments in associates and joint ventures	19	86	-	-	-
Total non-current assets		**10,913**	**7,908**	**19,450**	**17,450**
Current assets					
Inventories	20	6,252	6,491	-	-
Trade and other receivables	21	808	692	2,521	2,510
Cash and cash equivalents	22	98	120	119	2
Total current assets		**7,158**	**7,303**	**2,640**	**2,512**
Current liabilities					
Borrowings	23	532	1,000	532	1,000
Trade and other payables	24	1,617	2,612	357	1,663
Lease liabilities	26	79	-	-	-
Accruals and deferred income	24	947	849	292	-
Total current liabilities		**3,175**	**4,461**	**1,181**	**2,663**
Net current assets / (liabilities)		**3,982**	**2,842**	**1,459**	**(151)**
Non-current liabilities					
Deferred tax	27	550	123	-	-
Borrowings	23	463	-	463	-
Lease liabilities	26	224	-	-	-
Total non-current liabilities		**1,237**	**123**	**463**	**-**
Net assets		**13,659**	**10,627**	**20,446**	**17,299**
Equity					
Share capital	28	4,878	4,754	4,878	4,754
Share premium	29	23,480	18,470	23,480	18,470
Other reserves		(23,697)	(23,697)	557	557
Merger reserve		14,067	14,067	14,067	14,067
Capital redemption reserve		5,034	5,034	5,034	5,034
Share option reserve	31	218	-	218	-
Retained earnings		(10,321)	(8,001)	(27,788)	(25,583)
Equity attributable to equity holders of the parent		**13,659**	**10,627**	**20,446**	**17,299**

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, amounted to £2,205,000 (2018: £1,447,000 loss).

The financial statements were approved and authorised for issue by the Board of Directors on 22 June 2020 and were signed on its behalf by:

DAVID CICLITIRA
Chairman
Company Registration No. 00630968

STATEMENTS OF CHANGES IN EQUITY for the year ended 31 December 2019

	Ordinary Share Capital	Share Premium	Reverse acquisition reserve	Forex and other reserves	Merger reserve	Capital Redemption reserve	Share option reserve	Retained Earnings	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Consolidated									
As at 31 December 2018	4,754	18,470	(24,268)	571	14,067	5,034	-	(8,001)	10,627
Loss for the year	-	-	-	-	-	-	-	(2,185)	(2,185)
Changes in fair value from bricks used in product sales	-	-	-	-	-	-	-	(135)	(135)
Options issued in year	-	-	-	-	-	-	167	-	167
Warrants issued in year	-	-	-	-	-	-	51	-	51
Shares issued for cash	31	1,999	-	-	-	-	-	-	2,030
Debt to share conversion	26	1,181	-	-	-	-	-	-	1,207
Equity share arrangement	67	1,933	-	-	-	-	-	-	2,000
Share issue costs	-	(103)	-	-	-	-	-	-	(103)
At 31 December 2019	4,878	23,480	(24,268)	571	14,067	5,034	218	(10,321)	13,659
Company									
As at 31 December 2018	4,754	18,470	-	557	14,067	5,034	-	(25,583)	17,299
Loss for the year	-	-	-	-	-	-	-	(2,205)	(2,205)
Options issued in year	-	-	-	-	-	-	167	-	167
Warrants issued in year	-	-	-	-	-	-	51	-	51
Shares issued for cash	31	1,999	-	-	-	-	-	-	2,030
Debt to share conversion	26	1,181	-	-	-	-	-	-	1,207
Equity share arrangement	67	1,933	-	-	-	-	-	-	2,000
Share issue costs	-	(103)	-	-	-	-	-	-	(103)
At 31 December 2019	4,878	23,480	-	557	14,067	5,034	218	(27,788)	20,446

	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)	557	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

01 STRATEGIC REPORT
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STATEMENTS OF CASH FLOWS for the year ended 31 December 2019

	Consolidated		Company	
	2019 £'000	2018 £'000	2019 £'000	20178 £'000
Cash flows from operating activities				
Operating loss	(525)	(1,263)	(2,027)	(1,018)
Share of result of associate	(86)	-	-	-
Depreciation	647	365	-	-
Amortisation of intangibles - trademarks	7	5	-	-
Depreciation of right of use assets	16	-	-	-
Impairment provision	-	1	-	-
Corporation tax paid	(134)	-	-	-
Decrease / (increase) in inventories	239	(74)	-	-
(Increase) / decrease in receivables	(116)	1,074	(10)	(2,290)
(Decrease) / increase in payables	(589)	(3,438)	322	(1,089)
Increase in provisions	-	30	-	-
Cash used in operations	(541)	(3,300)	(1,715)	(4,397)
Cash flow from investing activities				
Acquisition of trademarks	(33)	(55)	-	-
Acquisition of subsidiary	-	(2,167)	-	(2,167)
Acquisition of property, plant and equipment	(1,265)	(988)	-	-
Disposal of property, plant and equipment	17	-	-	-
Cash acquired on acquisition of subsidiary	-	43	-	-
Net cash used in investing activities	(1,281)	(3,167)	-	(2,167)
Cash flow from financing activities				
Issue of equity	2,030	4,950	2,030	4,950
Repayment of lease liabilities	(5)	-	-	-
Proceeds from borrowings	300	1,000	300	1,000
Loans repaid	(305)	-	(305)	-
Interest paid	(117)	(8)	(90)	-
Share issue costs	(103)	(226)	(103)	(226)
Net cash generated from financing activities	1,800	5,716	1,832	5,724
Net cash (outflow) / inflow	(22)	(751)	117	(840)
Cash and cash equivalents at beginning of the year	120	871	2	842
Net (decrease) / increase in cash and cash equivalents	(22)	(751)	117	(840)
Cash and cash equivalents at end of the year	98	120	119	2

The recognition of a right to use asset and liability of £308,000 are significant non-cash transactions in the year, arising on the adoption of IFRS 16 Leases. The share option and warrant charge of £218,000 is also a significant non-cash transaction in the year.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 31 December 2019

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 2019.

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 £2,185,000 for the year ended 31 December 2019 (2018: £2,610,000 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 2024. 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 they have considered the impact of the COVID-19 pandemic, and the measures taken to contain it, on the Group when preparing the cash flow forecasts referred to above. However, because the situation regarding the COVID-19 outbreak and related containment measures is constantly evolving, there can be no certainty in respect of these cash flows, as tours and shows may continue to be delayed or cancelled in the geographical locations in which the Group operates. However, in the event that further funding is required the Directors will consider their options, for instance further debt finance or an equity fund raise. The Directors consider that both options are viable options for the Group at the date of signing these consolidated financial statements.

Additionally, David Ciclitira has confirmed his willingness to provide sufficient support to the Group to enable it to meet its liabilities as they fall due in the event any necessary additional finance cannot be obtained. This confirmation of support is not considered to be a Related Party Transaction; but were any such support to be triggered, the terms agreed with the Company would then be assessed under AIM Rule 13 as a potential Related Party Transaction and considered as appropriate by the Independent Directors at that time in consultation with the Nominated Adviser.

Consequently, the Directors 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 2019

The following new and revised Standards and Interpretations have been issued and are effective for the current financial period of the Company.

IFRS 16 Leases took effect from 1 January 2019 and has been adopted for the year ended 31 December 2019. The Company has chosen to use the modified retrospective approach, recognising transitional adjustments on the date of initial application (i.e. 1 January 2019) without restatement of the comparative figures. Leases which the Group were party to were previously classified as operating leases or finance leases based on its assessment of whether the lease transferred substantially all the risks and rewards of ownership to the lessee. Under IFRS 16 the Company now recognises right of use assets and lease liabilities for leases other than those for low value assets or for short term leases of 12 months or less.

1.3 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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 31 December 2019

- IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Amendment – Definition of Material)
- IFRS 3 Business Combinations (Amendment – Definition of Business) IAS 28 (amendments) 'Investments in Associates and Joint Ventures'
- Revised Conceptual Framework for Financial Reporting

The directors do not expect that the adoption the Standards listed above will have a material impact on the Company in future periods.

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.

Other new and amended Standards and Interpretations issued by the IASB that will apply for the first time in the next annual financial statements are not expected to impact the Company as they are either not relevant to the Company's activities or require accounting which is consistent with the Company's current accounting policies.

2. Accounting policies

2.1. Basis of consolidation

The consolidated financial statements incorporate:

- the results of LVCG, Brick Live Group Limited ("Brick Live Group"), Parallel Live Group Limited ("Parallel Live Group") and Bright Bricks Limited ("Bright Bricks Group") for the year ended 31 December 2019.
- the assets and liabilities of LVCG, Brick Live Group, Parallel Live Group, Bright Bricks Group and their subsidiary companies at 31 December 2019.
- the comparatives include the results of the Bright Bricks Group for the period from acquisition to 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".

Subsidiary undertakings are all entities over which the Group has the power to govern the financial and operating policies of the subsidiary and therefore exercises control. The existence and effect of both current voting rights and potential voting rights that are currently exercisable or convertible are considered when assessing whether control of an entity is exercised. Subsidiaries are consolidated from the date at which the Group obtains the relevant level of control and are de-consolidated from the date at which control ceases. Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 31 December 2019

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.

Brick Live Group
In 2017 the reverse acquisition of LVCG by the Brick Live Group resulted in goodwill arising of £4,581,000. This goodwill was fully impaired in the year ended 31 December 2017.

Parallel Live Group
In 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")
In December 2017, the Company became the 100% owner of BLFE. Goodwill 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.

Bright Bricks Group
In October 2018, the Group acquired Bright Bricks Group, resulting in goodwill arising of £86,000. 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.

Subsequent to the balance sheet date, the Directors have undertaken a formal impairment review which concludes that impairments will be required as detailed in Note 36.

Intercompany balances
All intercompany balances are eliminated on consolidation.

Subsidiary companies audit exemption
The company's active subsidiaries Bright Bricks Limited, Bright Bricks Consumer Limited, Brick Live Group Limited, Brick Live International Limited, Bricklive Touring Ltd and Parallel Live Group 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.

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

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

2.3. 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. The Group uses the equity method of accounting for its associate.

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. The Group uses the equity method of accounting for its joint ventures.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 31 December 2019

2.4. Property, plant and equipment
All property, plant and equipment assets are stated at cost less accumulated depreciation. 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 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.

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.

2.5. Leases
Following adoption of IFRS 16, a right to use asset, being the present value of the operating lease payments over the remaining life of the lease, has been recognised within non-current assets. The right to use assets and corresponding lease liability have been calculated using a discount rate of 9% which the Directors consider to be appropriate, based on the Group's current borrowing structure. The depreciation of the assets and interest charge are recognised in the Statement of Comprehensive Income in the year and the buildings maturity analysis of lease liabilities at 31 December 2019 is detailed in Note 26.

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 2019.

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 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. The majority of inventories are measured at fair value following the acquisition of Bright Bricks Group as detailed in Note 20.

2.8. Financial instruments
Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets
The Group classifies its financial assets as either financial assets measured at amortised cost, fair value through profit and loss or fair value through Other Comprehensive Income (OCI).

Financial assets at fair value through OCI consist of equity investments in other companies or limited partnerships where the Group does not exercise either control or significant influence.

Financial assets at fair value through OCI are shown at fair value at each reporting date with changes in fair value being shown in OCI. In cases where the Group can reliably estimate fair value, fair value will be determined in reference to practical completion of each development project.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 31 December 2019

All assets for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

2.9. Share based payments
The Company issues equity settled share-based payment transactions to certain employees and service providers. Equity settled share-based payment transactions are measured at the fair value at the date of grant. The calculation of fair value at the date of grant requires the use of management's best estimate of volatility, risk free rate and expected time to exercise the options.

2.10. 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.

2.11. 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.

2.12. Trade and other payables
Trade and other payables are stated at their amortised cost.

2.13. 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.

2.14. 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 – 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;

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 31 December 2019

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.

2.15. 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.

2.16. 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.

2.17. 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 profit or loss in the period under review.

2.18. 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 impairment reviews 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 no impairment of the investments or related goodwill is required at 31 December 2019. The Directors carried out a further formal review following the outbreak of COVID-19 and determined that an impairment provision will be required in the Interim Report to 30 June 2020.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 31 December 2019

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 2.4 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 2.14 to these consolidated financial statements.

Share option and warrants
The Black-Scholes model is used to calculate the appropriate charge of the share options and warrants. The use of this model to calculate the charge involves a number of estimates and judgements to establish the appropriate inputs to be entered into the model, covering areas such as the use of an appropriate interest rate and dividend rate, exercise restrictions and behavioural considerations. A significant element of judgements is therefore involved in the calculation of the charge.

4. Segment reporting
As described in Note 2.16 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 2019 are as follows:

	Product & content sales £'000	Tours, events, shows, licenses & content rental fees £'000	Unallocated £'000	Continuing Total £'000	Discontinued activities £'000	Total £'000
Revenues	974	4,477	-	5,451	-	5,451
Cost of sales	421	1,939	-	2,360	-	2,360
Administrative expenses	413	1,898	1,391	3,702	-	3,702
Share of associate	-	-	(86)	(86)	-	(86)
Finance costs	-	-	207	207	-	207
Exceptional items	-	-	1,112	1,112	-	1,112
Taxation	-	-	341	341		341
Segment (loss)/ profit for the year	140	640	(2,965)	(2,185)	-	(2,185)

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

	Product & content sales £'000	Tours, events, shows, licenses & content rental fees £'000	Unallocated £'000	Continuing Total £'000	Discontinued activities £'000	Total £'000
Revenues	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)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 31 December 2019

Administrative expenses are apportioned to each trading segment in proportion to the revenue earned.

In 2018, the segment analysis for product and content sales were derived from activities carried out by Bright Bricks Group which was acquired in October 2018. The activities of this entity have been absorbed into the principal trading entity, Brick Live International Limited. Consequently, there is no separate asset and liability classification of product and content sales from 2019 onwards.

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 2019 are as follows:

	Product & Content Sales £'000	Tours, events, shows licenses & content rental fees £'000	Unallocated £'000	Total £'000
Assets	-	11,549	6,522	**18,071**
Liabilities	-	2,867	1,545	**4,412**

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

	Product & Content Sales £'000	Tours, events, shows licenses & content rental fees £'000	Unallocated £'000	Total £'000
Assets	464	10,391	4,356	**15,211**
Liabilities	1,057	781	2,746	**4,584**

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 continuing 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.

	2019 £'000	2018 £'000
Revenue		
United Kingdom	2,923	637
Europe	930	1,064
USA *	406	-
South America	46	107
Asia	1,111	3,112
Middle East	35	-
	5,451	**4,920**

*2018 USA revenue excludes £431,000 relating to discontinued operations

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 31 December 2019

Non-current assets

	2019 £'000	2018 £'000
United Kingdom	4,661	2,819
Europe	986	-
USA*	467	535
Asia	407	247
Unallocated	4,393	4,307
	10,914	7,908

Major customers
Included within revenue arising from product sales and licence fees are revenues of approximately £532,000 (2018: £1,746,000) which arose from sales to the Group's largest customer. No single customer in 2019 accounted for more than 10% of revenue.

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

	2019 £'000	2018 £'000
Revenue	-	431
Expenses	-	(931)
Attributable tax	-	-
Loss attributable to discontinued activities	-	(500)

6. Operating loss before exceptional items

	2019 £'000	2018 £'000
This is stated after charging/(crediting)		
Content depreciation (included within cost of sales)	589	353
Other depreciation and amortisation (included within administrative expenses)	65	17
Depreciation on right of use assets	16	-
Net foreign exchange losses/(gains)	40	(41)

7. Exceptional items

The exceptional items consist of the following:

	2019 £'000	2018 £'000
Impairment of associate and intangible assets	-	111
Transactional and reorganisational costs	612	1,033
Share option and warrant charge	218	-
Exceptional bad debt provision	282	631
Trade and other payables written back	-	(436)
	1,112	1,339

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 31 December 2019

2019 Exceptional items

Transactional and reorganisational costs
Transaction costs relate to the remainder of the strategic acquisition and reorganisation costs of Bright Bricks Group and the various fundraises completed during the year.

Share option and warrant charge
The Group uses the Black–Scholes model to value its share option and warrants. Certain judgement is required in terms of selecting the risk-free interest rate and standard deviation rate used. The charge for the current year is £218,000 which may increase or decrease with changes to these rates.

Exceptional bad debt provision
A three-year contract is in place with Brick Live Centre Education Development (Beijing) Company Limited for a minimum of 20 shows. Due to the uncertainty of recovering this balance, the Directors have provided in full against these receivable license fee balances.

2018 Exceptional items

Impairment of associate and intangible assets
BLFE invested £110,837 in Brick Live Centre Education Development (Beijing) Company Limited and as that associate company incurred losses during the year ended 31 December 2018, the Directors determined that the 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 2018 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 and reorganisational costs
Transaction costs relate to the strategic acquisition and reorganisation costs of Bright Bricks Group and the various fundraises completed during the year ended 31 December 2018.

Exceptional bad debt provision
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 2019 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 was written back in the year ended 31 December 2018.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 31 December 2019

8. Auditor's remuneration

	2019 £'000	2018 £'000
Fees payable to the auditor, Moore Kingston Smith LLP, for the audit of the annual accounts of the Group and the Company	87	70
Taxation compliance	8	10
	95	80

9. Employees

	2019 No.	2018 No.
Group		
The average number of employees (including Directors not under employment contracts) during the year was:		
Administration	22	12
Production	40	12
Sales	4	2
	66	26

	2019 £'000	2018 £'000
The aggregate payroll costs including Directors not under employment contracts) were:		
Wages, salaries and fees	2,566	1,369
Social security costs	177	102
Pension costs	31	15
	2,774	1,486

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

10. Remuneration of Directors and key management personnel

In the opinion of the Board, only the Directors of the Company and the other members of the Executive Team, as detailed in the Corporate Governance Report, are regarded as key management personnel. The remuneration of key management personnel during 2019 was, in aggregate, £1,857,000 (2018: £899,000).

Directors' remuneration and fees, including Non-Executive Directors, during the year were as follows:

	2019 £'000	2018 £'000
David Ciclitira	451	503
Andrew Smith (resigned 2 September 2019)	74	115
Bryan Lawrie (appointed 17 October 2018)	144	36
Serenella Ciclitira	20	17
Ranjit Murugason	125	195
Simon Bennett (resigned 31 August 2018)	-	26
Trudy Norris-Grey (appointed 1 November 2018)	20	3
Simon Horgan (appointed 1 November 2018)	20	3
Mark Freebairn (appointed 1 October 2019)	5	-
	859	898

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 31 December 2019

David Ciclitira	2019 £'000	2018 £'000
UK Chairman's fees	25	25
International consultancy fees	250	250
Additional contracted work during the year	176	128
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
	451	503

Ranjit Murugason
Remuneration for Ranjit Murugason was satisfied by the issue of new Ordinary shares as detailed in Note 28.

	2019 £'000	2018 £'000
Non-Executive fees	30	20
Fees in connection with the acquisition of Bright Bricks and closure of Singapore subsidiaries	-	125
Fees in connection with fundraise in February 2019	45	-
Bright Bricks integration and Singapore company closure fees	50	50
	125	195

The £100,000 fees in connection with the Bright Bricks Group integration and Singapore company closure fees were settled by the issue of 153,846 Ordinary shares on 2 April 2019 as detailed in Note 28.

Andrew Smith

	2019 £'000	2018 £'000
As Chief Strategic Officer	38	11
As Executive Chairman of Bright Bricks Group	36	17
As Managing Director of Brick Live International Limited	-	87
	74	115

Andrew Smith received a further £32,000 for the remainder of the year after his resignation.

Bryan Lawrie
The fees payable to Bryan Lawrie were paid to CFO Partners Limited.

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

Further information on related party transactions are set out in Note 33.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 31 December 2019

11. Finance costs

	2019 £'000	2018 £'000
Loan interest	185	8
Interest expense on lease liabilities	7	-
Other	15	
	207	8

Included in loan interest charges are £90,000 of unpaid interest premium costs arising on the renegotiation of loans in 2019.

12. Taxation

	2019 £'000	2018 £'000
Current tax		
UK Corporation tax in respect of current year:		
Current taxation	-	-
Adjustments in respect of prior years	(86)	-
Total tax (credit) charge for the year	(86)	-
Deferred taxation		
Original and reversal of timing differences	427	-
Adjustments in respect of prior years	-	-
Effect of change in tax laws	-	-
Total deferred taxation charge	427	-
Tax charge on loss on ordinary activities	341	-

	2019 £'000	2018 £'000
Loss on ordinary activities before tax	(1,844)	(2,610)
Loss on ordinary activities at the standard rate of corporation tax of 19% (2018: 19%)	(350)	(496)
Effect of:		
Tax losses carried forward	350	496
Total tax charge for the year	-	-

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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 31 December 2019

	2019 £'000	2018 £'000
Loss for the year after tax	(2,185)	(2,610)
Loss for the year on continuing operations	(2,185)	(2,110)
Loss for the year on discontinuing operations	-	(500)
Weighted average number of shares in issue	70,171,496	55,560,444
Basic and diluted earnings per share on total operations*	(3.1p)	(4.7p)
Basic and diluted earnings per share on continuing operations*	(3.1p)	(3.8p)
Basic and diluted earnings per share on discontinued operations*	-	(0.9p)

Diluted earnings per share in both 2019 and 2018 are the same as basic earnings per share, as there are no dilutive options in issue during these years.

14. Property, plant and equipment

Group	Content		Other		Total	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Cost						
Cost at start of year	3,801	912	152	8	3,953	920
Additions for year	1,239	983	26	5	1,265	988
Acquisition of subsidiary	-	2,529	-	139	-	2,668
Reclassification of bricks to inventories	-	(623)	-	-	-	(623)
Disposals	(24)	-	-	-	(24)	-
Cost at end of year	5,016	3,801	178	152	5,194	3,953
Depreciation						
Cumulative depreciation at start of year	389	121	13	1	402	122
Charge for year	589	353	58	12	647	365
Cumulative depreciation on brick inventories reclassification	-	(85)	-	-	-	(85)
Eliminated on disposal	(7)	-	-	-	(7)	-
Cumulative depreciation at end of year	971	389	71	13	1,042	402
Net book value at end of year	4,045	3,412	107	139	4,152	3,551
Net book value at start of year	3,412	791	139	7	3,551	798

The Company had no property, plant and equipment assets in either 2019 or 2018.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 31 December 2019

15. Right of use Assets

Buildings	Group 2019 £'000	Group 2018 £'000	Company 2019 £'000	Company 2018 £'000
Cost				
Cost at start of year	-	-	-	-
Additions for year	308	-	-	-
Cost at end of year	308	-	-	-
Depreciation				
Cumulative depreciation at start of year	-	-	-	-
Charge for year	16	-	-	-
Cumulative depreciation at end of year	16	-	-	-
Net book value at end of year	292	-	-	-
Net book value at start of year	-	-	-	-

16. Intangible assets

Trademarks	Group 2019 £'000	Group 2018 £'000	Company 2019 £'000	Company 2018 £'000
Cost				
Cost at start of year	55	-	-	-
Additions for year	33	55	-	-
Cost at end of year	88	55	-	-
Amortisation				
Cumulative amortisation at start of year	5	-	-	-
Charge for year	7	5	-	-
Cumulative amortisation at end of year	12	5	-	-
Net book value at end of year	76	50	-	-
Net book value at start of year	50	-	-	-

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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 31 December 2019

17. Investments

	Group 2019 £'000	Group 2018 £'000	Company 2019 £'000	Company 2018 £'000
Cost				
Cost at start of year	-	-	17,450	8,950
Additions in the year	-	-	-	8,500
Cost at end of year	-	-	17,450	17,450
Impairment				
At start and end of year	-	-	-	-
Net book value at end of year	-	-	17,450	17,450
Net book value at start of year	-	-	17,450	8,950

The carrying value of investments are in respect of Brick Live Group £5,000,000 (2018: £5,000,000), Parallel Live Group £1,000,000 (2018: £1,000,000), Brick Live Far East Limited £2,950,000 (2018: £2,950,000) and Bright Bricks Group £8,500,000 (2018: £8,500,000).

18. Goodwill

	Group 2019 £'000	Group 2018 £'000	Company 2019 £'000	Company 2018 £'000
Cost				
Cost at start of year	8,888	8,802	-	-
Additions in the year	-	86	-	-
Cost at end of year	8,888	8,888	-	-
Impairment				
At start and end of year	4,581	4,581	-	-
Net book value at end of year	4,307	4,307	-	-
Net book value at start of year	4,307	4,221	-	-

In 2018, the £86,000 of goodwill was created on the acquisition of Bright Bricks Group as detailed in Note 30.

The net book value of £4,307,000 (2018: £4,307,000) relates to £2,950,000 (2018: £2,950,000) for the acquisition by LVCG of BLFE, £1,271,000 (2018: £1,271,000) for the acquisition of Parallel Live Group and £86,000 (2018: £86,000) for the acquisition of Bright Bricks Group. A formal impairment review has been carried out on these carrying values and the Directors have determined that no impairment was required. Goodwill arising on the reverse acquisition of LVCG by Brick Live Group of £4,581,000 was fully impaired in the year ended 31 December 2017.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 31 December 2019

Parallel Live Group
The recoverable amount of the Parallel Live Group ("PLG") division as a cash-generating unit is determined based on a discounted cash flow calculation which uses cash flow projections based on financial budgets approved by the Directors covering a five-year period, and a discount rate of 9% (2018:5% per annum).

At the balance sheet date, the Group expects growth rate to be high in the next five years and then a steady growth rate of 10% is estimated by the Directors of the Company based on their expectations of market development. Should there be no activity in PLG, that would reduce the headroom in the cash-generating unit to nil and would result in an impairment charge.

Following the year end and the outbreak of COVID-19, the Directors are uncertain of future cashflows and an updated discounted cash flow calculation has been produced. This has the impact of reducing the value of the goodwill after the balance sheet date by £375,000.

Bright Bricks Group
The recoverable amount of the Bright Bricks Group goodwill is a separate but integral part of the Brick Live Group, enabling it to both produce and sell brick-based content. The production of Content is projected to continue for the foreseeable future.

Should there be no production in Bright Bricks Group, that would reduce the new Content available and would result in an impairment charge.

Following the year end and the outbreak of COVID-19, the Directors are uncertain of future cashflows and an updated discounted cash flow calculation has been produced. This has the impact of reducing the value of the goodwill after the balance sheet date by £86,000.

Brick Live Far East Limited
The recoverable amount of the Brick Live Far East Limited ("BLFE") investment as a cash generating unit is determined based on a discounted cash flow calculation for activities in China covering a five-year period, and a discount rate of 9% per annum (2018:9% per annum).

At the balance sheet date, the Group expects growth rate to be high in the next five years and then a steady growth rate of 10% is estimated by the Directors of the Company based on their expectations of market development. Should there be no activity in China, that would reduce the headroom in the cash-generating unit to nil and would result in an impairment charge.

Following the year end and the outbreak of COVID-19, the Directors are uncertain of future cashflows and an updated discounted cash flow calculation has been produced. This has the impact of reducing the value of the goodwill after the balance sheet date by £2,950,000.

19. Investments in Associates and Joint Ventures

	Group		Company	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Cost				
Cost at start of year	111	111	-	-
Additions in the year	86	-	-	-
Cost at end of year	197	111	-	-
Impairment				
At start of year	111	-	-	-
Impairment in the year	-	111	-	-
At end of year	111	111	-	-
Net book value at end of year	86	-	-	-
Net book value at start of year	-	-	-	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 31 December 2019

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 £111,000) for a 49% shareholding in BRICKLIVE China.

Based on the performance in the year ended 31 December 2018 the investment in the associate was impaired by £111,000.

At 31 December 2019, the share of the Associate's net profits amounted to £86,000 which was added to the carrying value of the investment. At that date, no impairment was considered necessary but following the post balance sheet COVID-19 outbreak, the Directors completed a further impairment review and concluded that the value should be fully impaired as set out in Note 36.

The results of the Associate in the year are:	2019 £'000	2018 £'000
Revenue	1,819	1,229
Profit / (loss) before tax	220	(5)
Taxation	(17)	(1)
Profit / (loss) after tax	203	(6)
Other comprehensive income	-	-
Total comprehensive income	203	(6)
Current assets	573	267
Non-current assets	1,317	1,438
Current liabilities	(1,549)	(1,567)
Non-current liabilities	-	-
	341	138

Parallel Three Six Zero Inc
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. The Group accounts for the Joint Venture under the equity method of accounting.

The results of the Joint Venture in the year are:	2019 £'000	2018 £'000
Revenue	113	-
Loss before tax	(26)	-
Taxation	-	-
Loss after tax	(26)	-
Other comprehensive income	-	-
Total comprehensive income	(26)	-
Current assets	-	-
Non-current assets	-	-
Current liabilities	(26)	-
Non-current liabilities	-	-
	(26)	-

BRICKLIVE (South Africa) Limited
In November 2019, Brick Live International Limited signed an agreement with WORLDSPORT (PTY) Limited ("WSL"), a company incorporated in South Africa, to create BRICKLIVE (South Africa) Limited to be owned 50.1% by BLI and 49.9% by WSL. Trading is yet to commence.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 31 December 2019

20. Inventories

	Group 2019 £'000	Group 2018 £'000	Company 2019 £'000	Company 2018 £'000
Inventories of bricks	6,100	6,491	-	-
Work in progress	152	-	-	-
	6,252	6,491	-	-

Included in inventories is £5,323,000 (2018: £5,838,000) of stock acquired on acquisition of Bright Bricks Group and included at fair value.

21. Trade and other receivables – current assets

	Group 2019 £'000	Group 2018 £'000	Company 2019 £'000	Company 2018 £'000
Trade receivables	455	512	-	-
Amounts owed by subsidiaries	-	-	2,512	2,500
Other receivables	265	77	9	-
Prepayments and accrued income	88	103	-	10
	808	692	2,521	2,510

Trade and other receivables – non current assets

	Group 2019 £'000	Group 2018 £'000	Company 2019 £'000	Company 2018 £'000
Other receivables	2,000	-	2,000	-
	2,000	-	2,000	-

Included in non current assets in other receivables is the Equity Share Agreement (ESA) debtor as set out in Note 34.

At 31 December 2019, apart from the ESA, 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.

22. Cash and cash equivalents

	Group 2019 £'000	Group 2018 £'000	Company 2019 £'000	Company 2018 £'000
Cash at bank	98	120	119	2

23. Borrowings

	Group 2019 £'000	Group 2018 £'000	Company 2019 £'000	Company 2018 £'000
Loan due within one year	532	1,000	532	1,000
Loan due after one year	463	-	463	-
	995	1,000	995	1,000

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 31 December 2019

The loan balance comprises the original loan facility of £695,000 and a new loan drawn down in December 2019 of £300,000.

The Company has agreed with Riverfort to extend the maturity date of the original loan facility from December 2019 to June 2021. The new loan is repayable in monthly payments commencing in August 2020 and ending in December 2020.

Both loans carry interest which is charged at a flat rate of 9% per annum on the amount advanced. Interest and fees will be repayable in monthly instalments in line with the capital repayments.

The loans are secured over the assets of the Group. The security created is subordinated to any security granted by a bank or financial institution. The Company's subsidiary, Brick Live International Limited, has guaranteed the Company's obligations under the loan.

24. Trade and other payables

	Group 2019 £'000	Group 2018 £'000	Company 2019 £'000	Company 2018 £'000
Trade payables	720	1,134	198	514
Amounts owed to subsidiaries	-	-	66	40
Other payables	210	1,171	83	965
Other taxation and social security	687	307	10	-
Accruals and deferred income	947	849	291	144
	2,564	3,461	648	1,663

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

25. 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.

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 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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 31 December 2019

Set out below are liquidity risk comparative tables as at 31 December 2019 and 31 December 2018.

Remaining contractual maturities year ended 31 December 2019

Group	Within 3 Months £'000	>3 months < 1 year £'000	> one year < 5 years £'000	Total carrying amount £'000
Bank loans and borrowings	-	532	463	995
Trade and other payables	930	-	-	930
Lease liabilities	20	59	223	302
	950	591	686	2,227

Company	Within 3 Months £'000	>3 months < 1 year £'000	> one year < 5 years £'000	Total carrying amount £'000
Bank loans and borrowings	-	532	463	995
Trade and other payables	347	-	-	347
	347	532	463	1,342

Remaining contractual maturities year ended 31 December 2018

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

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

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

Credit Risk

Financial assets past due but not impaired as at 31 December 2019:

	Not impaired and not past due £'000	>30 days £'000	Not impaired but past due by the following amounts >60 days £'000	>90 days £'000	>120 days £'000
Group: Trade and other receivables	2,721	-	-	-	-
Company: Trade and other receivables	4,521	-	-	-	-

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

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 31 December 2019

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

Group trade and other receivables excluding prepayments and accrued income as at 31 December 2019 were £2,721,000 (2018: £589,000), all of which are not impaired. All remaining trade and other receivables as at 31 December 2019 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.

Market risk

a. Interest rate risk

The Group had two loans provided by Riverfort at the year end (2018: one). The interest rate is fixed and the loans are repayable within two years. 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 global 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 2019. 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 2019, for each 10% fluctuation in exchange rates, net assets are expected to be impacted by £6,000 (2018: £30,000)

Year ended 31 December 2019 Carrying amount (sterling equivalent)	£ '000	$ '000	€ '000	Total £'000	Forex Risk (-10%) £'000	Forex Risk 10% £'000
Financial assets						
Cash	74	1	23	98	2	(2)
Trade and other receivables	2,559	62	186	2,807	25	(25)
	2,633	63	209	2,905	27	(27)
Financial liabilities						
Borrowings	995	-	-	995	-	-
Trade payables	512	164	44	720	(21)	21
Other payables	210	-	-	210	-	-
Lease liabilities	303	-	-	303	-	-
Other taxation and social security	687	-	-	687	-	-
Accruals and deferred income	947	-	-	947	-	-
	3,654	164	44	3,862	(21)	21
Net Impact					6	(6)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 31 December 2019

Year ended 31 December 2018 Carrying amount (sterling equivalent)	£ '000	$ '000	€ '000	Total £'000	Forex Risk (-10%) £'000	 10% £'000
Financial assets						
Cash	61	36	23	120	6	(6)
Trade and other receivables	229	260	23	512	28	(28)
	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
	3,825	595	41	4,461	(64)	64
Net Impact					30	(30)

26. Lease liabilities

	Group 2019 £'000	Group 2018 £'000	Company 2019 £'000	Company 2018 £'000
Current	79	-	-	-
Non-current	224	-	-	-
	303	-	-	-

Following adoption of IFRS 16, a right to use asset, being the present value of the operating lease payments over the remaining life of the lease, has been recognised. The right to use assets and corresponding lease liability have been calculated using a discount rate of 9%. The depreciation of the assets and interest charge are recognised in the Statement of Comprehensive Income in the year and the buildings maturity analysis of lease commitments at 31 December 2019 is detailed below.

Lease payments 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	2019 £'000	2018 £'000
Minimum lease payments	-	37
Lease depreciation	16	-
Interest	7	-

Non-cancellable lease commitments	2019 £'000	2018 £'000
Not later than 1 year	80	83
Later than 1 year and not later than 5 years	298	90
Later than 5 years	-	-
	378	173

27. Deferred tax

	2019 £'000	2018 £'000
At start of year	123	123
Charged to profit or loss	427	-
At end of year	550	123

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 31 December 2019

Due to the availability of UK tax losses, subject to agreement with the HMRC, there is an estimated deferred tax asset of £2,382,000 (2018: £1,948,000). This is not recognised due to the uncertainty of the timing of future taxable profits against which these losses could be utilised.

28. Share capital

The issued share capital is set out in the table below:	2019 No. of shares	 £'000	2018 No. of shares	 £'000
Issued and fully paid				
Ordinary shares of 1p	79,500,419	795	67,094,595	671
Deferred shares of 51.8p	2,047,523	1,061	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		4,879		4,754

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

	2019 No. of shares	 £'000	2018 No. of shares	 £'000
Ordinary shares of 1p				
At start of year	67,094,595	671	48,207,793	482
Share placing January 2018	-	-	4,571,425	46
Share placing April 2018	-	-	1,000,000	10
Consideration for acquisition of Bright Bricks	-	-	8,461,536	85
Share placing October 2018	-	-	4,615,381	46
Settlement of Ranjit Murugason outstanding fees	-	-	192,307	2
Settlement of consultant fees	-	-	46,153	-
Share placing February 2019	2,084,616	21	-	-
Settlement of Ranjit Murugason outstanding fees	69,230	1	-	-
Share subscription May 2019	1,038,457	10	-	-
Settlement of Ranjit Murugason outstanding fees	153,846	2	-	-
Share subscription August 2019	46,152	-	-	-
Share placing November 2019	2,346,856	23	-	-
Share subscription (ESA) December 2019	6,666,667	67	-	-
At end of year	79,500,419	795	67,094,595	671

The number of additional shares authorised for issue is 25,947,917 (2018: 26,996,800).

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:

a. Not entitle their holders to receive any dividend or other distribution;
b. 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;
c. 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:

a. 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;

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 31 December 2019

b. 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.

29. Share premium

	2019 £'000	2018 £'000
At start of year	18,470	13,695
Premium arising on issue of equity shares	3,932	4,848
Debt to share conversion	1,181	153
Share issue costs	(103)	(226)
At end of year	23,480	18,470

30. Acquisitions

The Company made no acquisitions in 2019.

The Company purchased the whole of the issued 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

31. Share option reserve

	2019 £'000	2018 £'000
At start of year	-	-
Share option charge	167	-
Warrant charge	51	-
At end of year	218	-

The Group adopted a share option scheme on 2 April 2019 for certain directors and senior management. Options are generally exercisable at a price equal to the market price of the Plc shares on the day immediately prior to the date of the grant. Options are forfeited if the employee leaves the Group before the options vest.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 31 December 2019

The Share Option Plan provides for the grant of both tax-approved Enterprise Management Incentives (EMI) Options and unapproved options.

Options issued in April 2019

The Group issued 3,086,346 options to certain Directors and senior management. The options are exercisable at a price of £0.65 per share and will become exercisable on the third anniversary of their grant. They can be exercised at any time from this date to the day before the tenth anniversary of their grant and are not subject to a performance condition.

The inputs into the share option pricing model for the options granted in April 2019 are as follows:

Weighted average exercise price	£0.65
Expected volatility	63%
Expected life	3 years
Risk free interest rate	1.6%
Expected dividends	0%

The volatility of the Company's share price on the date of grant was calculated as the average of annualised standard deviations of daily continuously compounded returns on the stock of closely comparable companies.

The charge for the year ended 31 December 2019 for the options issued in April 2019 totals £166,663 (2018: £nil).

	2019		2018	
	Number	Weighted average exercise price (p)	Number	Weighted average exercise price (p)
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	3,086,346	65	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Outstanding at the end of the year	3,086,346	65	-	-

Warrants

Share warrants were issued during the year. They have a weighted average exercise price of 74.66p (2018: 81.25p)

	31 December 2019 Number	Exercise price (p)	31 December 2018 Number	Exercise price (p)
Share warrants				
Investor (exercisable up to 17 October 2022)	356,923	38.79p*	356,923	81.25p
Investor (exercisable up to 16 December 2023)	232,018	38.79p	-	-
Adviser (exercisable up to 25 February 2021)	50,000	80.00p	-	-

*On 16 December 2019, the existing Investor warrants were repriced to 38.79p and exercise period extended from 3 years to 4 years from date of issue.

3,903,840 warrants were issued to investors as part of an equity raise and are therefore outside the scope of IFRS 2 and consequently there is no share-based payment charge in respect of these warrants.

The inputs into the warrant pricing model for the warrants issued are as follows:

	October 2018	February 2019	December 2019
Weighted average exercise price	£0.3879	£0.8000	£0.3879
Expected volatility	75.53%	67.51%	67.51%
Expected life	4 years	3 years	3 years
Risk free interest rate	2.05%	2.1%	2.1%
Expected dividends	0%	0%	0%

The charge for the year ended 31 December 2019 for the warrants in issue totals £51,122 (2018: £nil).

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 31 December 2019

32. 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 £13.7m at 31 December 2019 (2018: £10.6m). 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. There are no externally imposed capital requirements.

	2019 £'000	2018 £'000
Loan facility	(995)	(1,000)
Total Debt	(995)	(1,000)
Cash	98	120
Net (debt)/funds	(897)	(880)

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

33. Related party transactions

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.

David Ciclitira
David Ciclitira injected funds into the Company during the year as follows:

	2019 £'000	2018 £'000
Purchase of 400,000 Ordinary shares of 1p each	260	-
Purchase of Venturi Formula E Car*	25	-
Short term loans to Company	-	344
	285	344

*It was agreed that David Ciclitira would pay for the brick and steel costs associated with the Formula E car plus a 5% mark up. The car was built when there was available capacity in the production programme so ensuring the build did not affect the production of other tours or models. The total cost of the car including the sunk costs for labour and share of overheads amounted to £66,000.

As announced on 17 June 2019, David Ciclitira purchased another 20,000 Ordinary shares of 1p each on the open market. 13,000 were purchased at 53.5p per share and 7,000 at 53.9p per share.

As set out in Note 36, on 15 April 2020, David Ciclitira provided a loan to the Company of £500,000.

David Ciclitira received payments during the year as set out below:

	2019 £'000	2018 £'000
Business expenses and healthcare costs	26	23
Rental arrangements (London and Italy) ceased 30 September 2019 (ref: RNS 30 September 2019)	33	55
Finance arrangement fee (ref: 2018 Accounts)	-	20
Repayment of short-term loans made by David Ciclitira to LVCG interest free (ref: 2018 Accounts)	126	218
Settlement of James Golf creditors (ref: Admission Document)	123	-
	308	316

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 31 December 2019

Hyun Seok (Reon) Kim
As announced in August 2019, a contract was entered into with BRICKLIVE Korea, a company wholly owned by Mr Kim. Under the Agreement, the Group will provide one of the Group's popular touring assets each year to BRICKLIVE Korea to be exhibited in South Korea, with the first touring show being Mythical Beasts which will be exhibited until the end of August 2020. In respect of each tour, the Group will receive an upfront fee of US$300,000 per annum.

Simon Horgan
As part of the acquisition of Bright Bricks Group in October 2018, 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 was due in October 2019. As announced on 25 November 2019, the deferred consideration was converted into 387,788 Ordinary shares of 1p. Furthermore, on 25 November 2019, non-executive director fees of £30,000 was converted into 53,030 Ordinary shares of 1p.

Unpaid balances due to related parties at 31 December	2019 £'000	2018 £'000
David Ciclitira	7	-
Serenella Ciclitira	-	43
Ranjit Murugason	30	50
Bryan Lawrie	12	9
Trudy Norris-Grey	18	3
Mark Freebairn	5	-
Simon Horgan	-	170
	72	275

34. Equity Share Arrangement

As announced on 16 December 2019, the Company entered into a subscription agreement with YA II PN, Ltd. ("YA II") and Riverfort Global Opportunities PCC Limited (the Investors) whereby the Investors agreed to make an equity investment of £2m, before expenses ,through the subscription for, and issue of 6,666,667 new Ordinary shares of 1 pence each in the capital of the Company at a price of 30p per share. Under an equity sharing agreement also entered into by the Company with the Investors (the "ESA"), an amount equal to the gross proceeds of the Subscription following its completion, will then be returned by the Company to the Investors (the "ESA Payment"), with the Company to receive back the ESA Payment, subject to certain pricing adjustments on a pro rata monthly basis.

Under the terms of the ESA, the Company will set off any amounts owed by the relevant Investor to the Company towards repayment of any amount of principal, or interest or other amount owed by the Company to the Investor.

The ESA provides for a monthly payment made by the Investors to the Company, being the Subscription Amount divided by 12 (the "Monthly Settlement"). The Monthly Settlement may be adjusted downwards each month depending on the Company's share price performance with reference to the average of the ten lowest daily volume weighed average price ("VWAP") of the Ordinary shares during the relevant month (the "Market Price") against a benchmark price of 34.2 pence (the "Benchmark Price"), being equal to 114% of the Subscription Price. The Monthly Settlement will principally be used to repay the Company's borrowings.

The Monthly Settlement is then calculated as follows:

- If the Market Price is equal to the Benchmark Price, the Investors shall pay the Company the Monthly Settlements
- If the Market Price is above the Benchmark Price, the Investor shall pay the Company an increased amount based on the following calculation:

  Monthly Settlement + (555,556 Ordinary Shares x (Market Price - Benchmark Price) x Applicable Percentage))

The "Applicable Percentage" is 60% whilst the Company has only drawn down £300,000 under the New Facility. In the event further funds are drawn down under the New Facility, the Applicable Percentage will be 50%.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 31 December 2019

If the Market Price is below the Benchmark Price, the Investor will pay the Company a reduced amount based on the following calculation:

Monthly Settlement - (555,556 Ordinary Shares x (Benchmark Price - Market Price))

The final Monthly Settlement will be calculated based on 555,551 Ordinary Shares.

Under the terms of the ESA, the Investors will not sell more than 20% of the volume traded in the Company Shares in any particular month, however this may increase to 25% of the volume traded if trading liquidity is low and it does not allow for full monthly exit.

In addition, the Company may, at its sole discretion, elect to either buy back and/or procure the sale of the Subscription Shares held by the Investors at any given time, subject to certain pricing/discount limitations.

On 15 April 2020, the Company and the Investors have agreed, as a result of the recent market disruption caused by COVID-19 to suspend the ESA and any payment obligations of the Investors to the Company pursuant to the ESA with effect from 25 March 2020.

Recommencement of the ESA and the associated payment obligations will occur when both the Company and Investors agree to restart monthly settlements. Going forward, the Investors will be able to decrease the amount of the monthly settlement and thereby increase the term of the ESA by one month at their discretion.

At 31 December 2019, the amount owed to the Company was £2m.

The Directors have carried out an impairment review of this debtor and considered that no impairment is required.

35. Subsidiaries

At 31 December 2019, 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
BrickLive Touring Ltd	11253539	UK	100%	Formerly touring events in Asia but now dormant
Parallel Live Group Limited	09932658	UK	100%	Holding Company US activities
Bright Bricks 2020 Limited	12333294	UK	100%	Dormant
Championship (Singapore) Pte Limited	201427355K	Singapore	95%	Dormant
Parallel Media Group Asia	201131009R	Singapore	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 Kong Limited	2460469	Hong Kong	100%	Dormant and subsequently dissolved in 2020
Brick Live Far East Limited	2460460	Hong Kong	100%	Owner of Associate investment in China
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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 31 December 2019

The following 100% owned subsidiaries incorporated in the UK were dissolved in the year:

Held directly
Bright Bricks (Worldwide) Limited
Bright Bricks Holdings Limited

Held indirectly
Brick Live Education Limited
Parallel Live (NY) Limited
Bright Bricks Events Limited
Bright Bricks Parties Ltd
Warriorbots Limited

Brick Live Hong Kong Limited was dissolved in early 2020.

36. Post balance sheet events

Loan from David Ciclitira

To show his support for the Company during these unprecedented times, on 15 April 2020, David Ciclitira, provided a secured term loan of £500,000 to Brick Live International Limited, the Company's wholly owned subsidiary. The Loan has been made on standard commercial terms. The Loan is repayable, in full, in a final bullet payment on 15 March 2021 and will incur interest at a rate of 16.2% per annum, payable monthly in advance.

In the event of a default event occurring, a further 2% will be charged on top of the annual interest rate. Under the terms of the Loan, the Company will pay David Ciclitira an arrangement fee of £25,000 and his legal expenses in respect of the Loan of up to £25,000 plus VAT.

The Loan is secured on the assets of Brick Live International Limited and this security is subordinated to the security granted by Brick Live International Limited in favour of the Riverfort loan facilities made available to the Company as detailed in the announcement of 16 December 2019 and in Note 23.

EIS status

On 14 January 2020, the Company received confirmation from HM Revenue & Customs that certain of the Ordinary Shares issued pursuant to the placing in February 2019 were eligible for EIS tax reliefs.

On 2 April 2020, the Company received Advanced EIS Assurance confirmation from HM Revenue & Customs. The Company can qualify for future EIS investment, provided the activities are unchanged, new funds are only used for the same new market, and the group is still within all the various size limits for EIS. Any change to group structure, the activities, an acquisition etc can affect the ability to meet the EIS conditions in the future.

Non-Executive Director Fees

On 17 January 2020, the Company issued Ordinary shares of 1p in settlement of certain Non-Executive Director fees as follows:

	No. of shares	Share price	£'000
Ranjit Murugason	100,000	30p	30
Mark Freebairn	16,667	30p	5
			35

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 31 December 2019

Extension of existing loan facility

On 28 February 2020, the Company agreed with Riverfort to extend the maturity date of the original facility from December 2019 to June 2021. The principal, interest and fees will be repayable in nine equal monthly instalments with the first payment being made in October 2020 and the final payment to be made in June 2021.

Equity Sharing Agreement

On 28 February 2020, the Company and the Investor agreed to amend the terms of the ESA, such that the Subscription Amount as detailed in Note 34, will now be received over a period of 36 months commencing in March 2020, as opposed to over a period of 12 months.

On 15 April 2020, the Company and the Investors further agreed, as a result of the recent market disruption caused by COVID-19 to suspend the ESA and any payment obligations of the Investors to the Company pursuant to the ESA with effect from 25 March 2020.

Recommencement of the ESA and the associated payment obligations will occur when both the Company and Investors agree to restart monthly settlements. Going forward, the Investors will be able to decrease the amount of the monthly settlement and thereby increase the term of the ESA by one month at their discretion.

The Monthly Settlement will continue to be calculated on the same basis as set out above, though as set out below, the number of Ordinary Shares used in the calculation has been reduced:

If the Market Price is equal to the Benchmark Price, the Investors shall pay the Company the Monthly Settlements.

If the Market Price is above the Benchmark Price, the Investors shall pay the Company an increased amount based on the following calculation:

- Monthly Settlement + (185,187 Ordinary Shares x (Market Price - Benchmark Price) x Applicable Percentage))

If the Market Price is below the Benchmark Price, the Investors will pay the Company a reduced amount based on the following calculation:

- Monthly Settlement - (185,187 Ordinary Shares x (Benchmark Price - Market Price))

The final Monthly Settlement will be calculated based on 185,122 Ordinary Shares.

COVID-19

In accordance with IAS 10 'Events after the Reporting Period' the COVID-19 pandemic, and in particular the various measures taken to contain it, do not provide additional evidence about conditions that existed at 31 December 2019. Accordingly, COVID-19 is considered to be a non-adjusting event and the Directors have not made any adjustments to these consolidated financial statements arising from COVID-19.

However, post year end, the Directors have further considered the carrying value of goodwill and investments and have determined the following adjustments will be required in 2020:

Reduction of asset value	Group £'000	Company £'000
Brick Live Far East	3,036	3,036
Parallel Live Group	375	104
Bright Bricks Group	86	8,423
	3,497	**11,563**
Net assets 31 December 2019	13,659	20,446
Net assets COVID-19 adjusted	**10,162**	**8,883**

ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

Registered Number 00630968

LIVE COMPANY GROUP