Live Company Group plc

Registered Number 00630968

Annual Report and Consolidated Financial Statements for the year ended 31 December 2022

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Directors	David Ciclitira (Chairman) Ranjit Murugason (Senior Non-Executive Director) Maria Serena Papi (Non-Executive Director) (resigned 27 September 2023) Bryan Lawrie (Non-Executive Director) Stephen Birrell (Non-Executive Director)
Public Limited Company No.	00630968
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Nominated and Financial Adviser	Beaumont Cornish Limited Building 3 566 Chiswick High Road, London W4 5YA
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CHAIRMAN'S REPORT

2022 was a mixed year as the global events world continued to struggle somewhat in the first half of the year, with cancelled events and postponements from 2021. The Group continued to build on its strategy of reducing risk and maximising asset and brand usage across divisions. This is clearly evident in the BRICKLIVE division, with the sunshine strategy of maximum usage for the larger tours in the USA, and in the new KPOP division where we were able to create a new revenue stream.

However, although revenue across the four divisions increased 79% from the previous year to £4.8m the Group continued to be loss making and as set out in note 2.1 there is a material uncertainty as to going concern due to the continued trading performance of the Group and the requirement for additional financing. The Directors have taken steps, as detailed below, to address these concerns and to strengthen the management of the business.

1. Additional management meetings to review strategy and focus on the revenue generating divisions.
2. Continued careful management of creditors and cash position, including the payment of certain creditors in Ordinary Shares.
3. Cutting the fixed cost base by reducing staff and overhead.
4. De-risking the business model and reducing the funding requirement for events which was proving a cash burden on the Company.

KPOP.Flex/KPOP LUX

While K-pop has existed for decades, in the last few years the genre has spread globally amassing armies of fans. In December 2021, after a year of negotiations, I was delighted to finally be able to launch KPOP.FLEX / K.Flex in May 2022 at the iconic DB Frankfurt Stadium, Germany. In February of last year, LVCG announced that the tickets for the 14 May 2022 show were completely sold out and so we added a second day, as well as additional artists to the roster. The final artists were ENHYPHEN, NCT, DREAM, KAI, (G)I-DLE, IVE, MAMAMOO, AB6IX, MONSTA X and DREAMCATCHER. The concert took place on 14 and 15 May to great acclaim and reported a profit of £80,000 to LVCG. In addition to the profit share, LVCG was also able to recover £137,000 of staff costs. As part of KPOP.FLEX in Frankfurt we partnered with the KTO (Korean Tourism Office) to host a Korean culture festival as part of the fan festival.

Revenue for our KPOP division is derived from several sources: ticket sales, merchandising, sponsorship and streaming.

Our new brand called KPOP LUX was established earlier this year and, in February 2023, the new brand KPOP LUX signed an agreement with a branding and promotional business Birdman Inc. Birdman Inc is listed on the MOTHERS (growth) segment of the Tokyo Stock Exchange.

KPOP LUX is also the brand behind our first successful Madrid concert which took place in July at Civitas Metropolitano Stadium with artists including ENHYPHEN, ATEEV, IVE, SHINee, STAYC and CAVITY. Close to 40,000 fans attended the show which provided a chance for European fans to see several phenomenal K-pop acts on one stage.

Two further concerts planned for 2023, Frankfurt KPOP.Flex and the KPOP LUX Super Concert London, were postponed. The contracts are multi-year and further opportunities have been identified in Europe, using a low-risk licencing business model which will greatly reduce the funding requirements which were proving a burden on the Company.

BRICKLIVE

During 2022, 40 Tours (2021: 42 tours) were sold into client events in the UK, Europe, Asia and the US, creating amazing experiences for their customers. August saw the first BRICKLIVE event since the pandemic. BRICKLIVE In the Park took place in London over five days and was very popular.

Despite the reduction in tours compared to the previous year, revenue for the division is slightly greater than the previous year due to focus on higher value tours and longer rental duration. The Company continues to operate a strategy that ensures that all assets have maximum usage through the year as demonstrated with its focus on the US market, especially during the European winter months.

Pre-pandemic BRICKLIVE sold 71 Tours and the Group's strategy is to return BRICKLIVE to this delivery level. To achieve this BRICKLIVE will look at new markets in the Middle East, not currently covered with our existing partners, as well as a renewed focus on tour utilisation with a streamlined team.

After the reporting period, the Group was pleased to announce that several new contracts have been signed, including for events in the Netherlands with Aqua Zoo Friesland Exploitatie B.V and Dierenpark Overloon Exploitatie B.V for BRICKLIVE OCEAN and BRICKLIVE SAFARI, and BRICKLIVE ANIMAL WORLD and BRICKLIVE BRICKOSAURS to Wales, as well as tours to the USA. BRICKLIVE models, car ramps and brick pits featured in a successful BRICKLIVE show in Toulouse France during October 2023. Furthermore, following our strategy to optimise the BRICKLIVE assets, in 2023 LVCG sold two of its underperforming tours - Mythical Beasts and Outer Space - for £350,000 in staged payments during 2023. Whilst the Company has had success with these tours, they have not been as popular in recent times and hence a buyer for the assets was sourced.

LCSE

In March 2022 the LCSE Division hosted the annual mass participation Cape Town Cycle Tour - after it returned to its usual March slot post Covid. Throughout the year the Division also participated in producing several Pick 'n' Pay Wine Festivals in South Africa. However, the bulk of the Division's work has been around the preparation for the 2023 Cape Town Formula E race and the Cape Town stopover of the Global Ocean Race, which included a week of ocean sustainability events and a haul out for the IMOCA class boats. Both the Cape Town Formula E race and the Cape Town stopover of the Global Ocean Race took place in the first quarter of 2023 and the Formula E race was voted most popular race of the 2023 calendar. In October 2023 LCSE organised the hospitality village, as well as other side events, for the World Rallycross event in Cape Town.

During 2022, LCSE has performed in line with expectations regarding the operational delivery and the Strategy for 2023 and beyond is to source significant title sponsorships for all managed events.

Formula E

In October 2022 E- Movement Ltd attracted an investment of ZAR 16.5m (£0.825m) which valued the company at ZAR 63m (£3.15m). Post this new investment, E-Movement Holdings (100% LVCG subsidiary) owned 14.83% of E-Movement Ltd., which in turn implied a ZAR 9.3m (£0.47m) valuation for LVCG's stake - a close to 500% increase in investment value.

In October 2022 it was announced that FIA will add Cape Town to the 2023 Formula E world championship race calendar. LVCG was proud to bring the E-prix to Cape Town in March 2023 for the sold-out inaugural event. While revenue was generated principally from a staging fee of £200,000 as there was no title sponsor in this inaugural year, the Company is hopeful that with the success of the event a title sponsor can be retained for a return to Cape Town and is already in discussions with various parties. The learnings from the 2023 race form a great base for the future and additional revenue streams such a merchandising can be explored.

StART Art Global Limited

In 2022 the Group acquired the remaining shares in StART Art Global, an online and physical art business. The Division hosted the 9th instalment of the London show at the Saatchi Gallery and reported a profit for this event and its licence fee income from the licensee StART.Art Korea. In conjunction with StART.Art Korea, the strategy for 2023 was a renewed focus on marketing and sponsorships.

Additionally, the Group launched a successful new show, StArt + at 131 A Gallery in Cape Town from 8-12 March 2022, a further Start + show was held to coincide with the Formula E race in Mexico City on 14 January 2023. The licensee, StART.Art Korea, exhibited the inaugural StART Art Fair Seoul from 1-6 September 2022 at Galleria Forêt, which is in the affluent and fashionable Sung Dong Gu district of Seoul.

Revenue from online art linked merchandised and online art sales have been minimal thus far however, the physical art events have continued to grow in 2022.

In late 2023, the Independent Non-Executive Directors agreed to cancel the acquisition of the 80.06% of Start Art announced on 8 July 2022 (and mentioned above) in return for the cancellation of all amounts owing to myself and Ranjit Murugason being up to an aggregate of £500,000 in cash and £519,800 in Ordinary Shares, with the Company retaining a 19.94% interest. The StART.Art disposal is classified as Related Parties under AIM Rules for Companies (the 'AIM Rules'). The Company intends to seek approval from shareholders at a General Meeting during the first quarter of 2024, details of which will be provided in due course. The General Meeting circular will provide all information with regards to the Related Parties and the opinion of the independent director and the Company's Nominated Adviser, Beaumont Cornish Limited.

General Corporate Update

During 2022 the Group continued to focus on increasing and improving its offerings. The K-POP division added a new event, the StART division added several new events in new territories including Korea and South Africa, LCSE confirmed the Formula E race and BRICKLIVE added shows in new locations and hosted its first event since 2019.

In July 2022 as part of the StART completion of acquisition a placing of new Ordinary shares at a price of 4p per share was undertaken to raise gross proceeds of £0.6 million for the acquisition and working capital.

Additionally, to provide shareholders and other investors who did not initially have the opportunity to participate in the Placing to do so, the Company also implemented a Broker Option of which 6,000,000 new shares were subscribed for.

The reversal of the 2022 StART acquisition has been approved by the Independent Non-Executive Directors, subject to a Company General Meeting, as outlined above.

Furthermore, the Company announced a new broker CMC Markets Plc UK at the start of May 2023.

Whilst the foundation for successful revenue generation from the Group's diverse Divisional offering, as disclosed in the Group's 2022 Interim Financial Statements, 2022, continued to be challenging as the negative impact on live events from Covid were still being felt, despite the attempts to diversify and the acquisition of the remaining share capital of StART and the commitment of investment from the Republic of Korea, the Group delivered a loss during 2022.

Financial Review

Group revenues increases 79% from £2,674,000 to £4,774,000 reflecting a return to live events following the COVID-19 related interruption of business in 2020 and 2021 with both an increase in Bricklive and LCSE events from 42 to 47 and the introduction of 1 new KPE and 3 new StART.Art events.

The Group believes in the multi-divisional strategy, but revenues will take some time to develop as each division moves towards achieving its full potential.

Administrative expenses have increased with the addition of the KPE and StART.Art divisions resulting in a total comprehensive loss for the year of £9,664,000. This includes an impairment charge of £4,070,000 relating to goodwill which arose on the acquisition of Parallel Live Group in 2017 and StART.Art 2022. The total comprehensive loss for the year before the impairment charge was £5,594,000.

As a result, a strategic review of the business was undertaken which led to the removal of non-core and loss-making activities which led to cost savings across the business. As well as short term measures to improve working capital including the payment of some contractors in shares. The non-executive Directors have announced their willingness to accept their director fees in shares in 2022.

Going Concern

Post balance sheet the Group, as is standard in operational businesses, went through an exercise to review its existing debt structures. As a result, in March 2023 LVCG raised £200,000 via a new equity subscription by a number of long-term existing shareholders. The funds were applied towards the repayment of a £200,000 short-term prepayment facility that was entered into in February 2023. I would personally like to thank the shareholders who assisted in this subscription.

Additionally, in the last quartile of 2023 the Group undertook a cost reduction and cash preservation exercise with staff numbers cut and salaries reduced where appropriate.

Further the Group identified two existing underperforming BRICKLIVE tours, Mythical Beasts and Outer Space, which were sold for £350,000.

I support and agree with the detailed going concern statement outlined within the directors' report and confirm my support for any interim cash flow shortfalls under the terms of my guarantee. As part of this commitment, I have agreed to provide a £1,200,000 two-year convertible loan note to the Company, of which £570,000 has already been advanced in order to meet certain liabilities as they fall due. The convertible loan note is classified as a Related Party transaction under AIM Rules for Companies (the 'AIM Rules'). The terms of the convertible loan note are to be agreed by the independent directors and announced separately in due course. I have also confirmed a letter of support of £1,000,000 to support the cash flow of the business from 12 months of date of signing these financial statements.

The Company has also been in negotiations with a cornerstone investor who has indicated an interest in investing in LVCG in a two-stage process. The first being a £1,500,000 loan and the second being a potential equity investment in the Company. Negotiations are ongoing and there can be no guarantee that these will conclude.
A placing for a £500,000 equity placement has been agreed with the Company's broker, CMC Markets. Final details will be communicated to shareholders on conclusion of this placing.

In addition to the above, LVCG has begun a comprehensive strategy of settling several creditor payments via shares in LVCG, further details of which are outlined in note 35.

The Directors are focused on a path to profitability, based on de-risking the business model and reducing the funding requirements which were proving a burden on the Company.

I would like to thank the team for all their efforts and for their ongoing support and energy and hard work in continuing to develop and diversify the Live Company Group brand. I would also like to thank all our stakeholders for their continued belief and support of the Group.

David Ciclitira
Chairman
2 February 2024

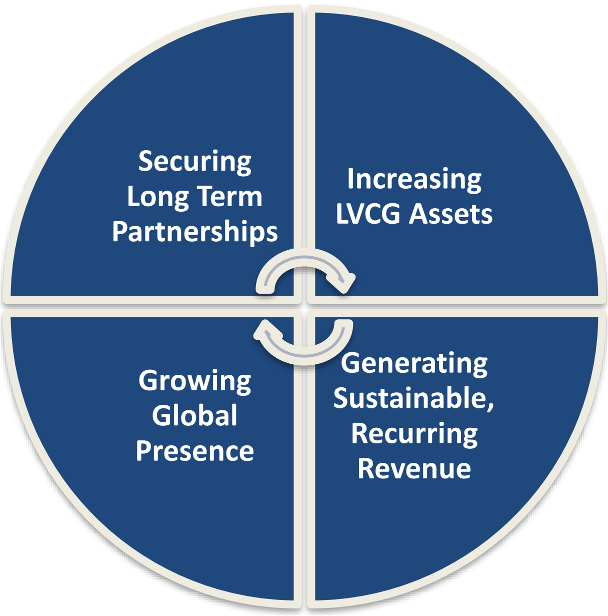
Our Aspiration

To become a multi-divisional multi-brand, revenue-producing group that encompasses memorable experiences in sports, music and live entertainments, together with opportunistic minority investments in complementary businesses.

BUSINESS MODEL

Value Creation Through Global Expansion

Having rapidly established a presence in Europe, Asia, South and North America, the Group plans to continue investment in the KPOP LUX, BRICKLIVE and LCSE divisions with the intention of increasing recurring revenue via key partnerships, multi-year licence fee agreements for specific brands, as well as the introduction of new concepts.



- Securing key long-term global partnerships with licensed partners, as well as sports and entertainment event owners, enabling popular sports, entertainment (with a key focus on KPOP) and edutainment events to be replicated in multiple territories;
- Increasing our assets, introducing new divisions and ensuring our content and our events are current and fresh, giving audiences what they want to see and capitalising on global trends;
- Generating sustainable recurring revenue by developing a loyal and repeat customer base through the expansion of existing brands;
- Enhancing our global presence by expanding the number of territories in which KPOP LUX, BRICKLIVE and LCSE events are held; and
- De-risking our revenue streams with multi-year licence fee arrangements rather than taking ticketing and event organisation risk.

1. Key Performance Indicators ('KPIs')

The primary objective of the Group in the first half of 2022 was to continue recovery post-COVID whilst maintaining the BRICKLIVE and LCSE brands globally and securing the production of content for 2022 and beyond. In the second half of the year the focus shifted to diversification of revenue with the acquisition of StART.Art and the launch of KPOP.Flex. The Board considers cost control and profitability as core to the business.

The principal internal KPIs revolve around the core objectives:

	2022	2021	Reasons for movement
Revenue growth	79%	44%	Continued post COVID recovery and first K-POP concert
Number of BRICKLIVE Tours	27	27	Assets remained the same
Number of BRICKLIVE (40) and LCSE Events (7)	47	42	Continued Post-COVID recovery
Number of BRICKLIVE IP properties	3	7	Several licenses expired in 2022 and were not renewed.
Number of StART.Art events	3	0	Events taking place globally under the newly acquired StArt Art Fair and StArt + brands.
Number of KPOP.Flex events	1	0	First KPOP concert, which took place in Frankfurt Germany
Revenue (£'000)	4,774	2,674	Revenue growth due to continued Covid recovery and first Frankfurt K-POP concert
Gross (loss)/profit (£'000)	(98)	36	As above
PXEBITDA (£'000)	(2,343)	(1,697) as restated	Due to increase in revenue and cost cutting measures undertaken.
Loss before tax (£'000)	(9,605)	(3,333) as restated	As above

2. Future Developments

As discussed in the Chairman's Statement, the Group is focused on diversification of revenue streams and the expansion of our brands across live sports, entertainment and BRICKLIVE events.

Particular geographic locations of interest are Asia (with a special focus on Japan and South Korea), South Africa, Europe, America 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.

3. 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 Group'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 recognise 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 Group 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 Measure	Owner
1. Severe disruption in global economic activity (including global pandemics)	− Severe reduction in economic activity reducing revenue, profitability and cash flow in all operating markets and territories simultaneously	− Diversified revenue base − Ensure sufficient cash to navigate complete shutdown	Executive Chairman
2. Insufficient funds to operate and sustain the business	− Unable to fund work programme or strategic objectives − Impact to long term viability of the business	− Long term cashflow management − Finances are controlled through annual planning process with regular forecast updates − Active commitment management and tracking for main contracts	Executive Chairman
3. Protection of IP	− Loss of advantage to competitors infringing IP reducing revenue, profitability and cash flow − Possible claims regarding infringement of proprietary rights trademarks or patents	− Build strong relationships with partners − Actively monitor potential IP legislation changes	Head of Live Operations
4. Licensee partner performance	− Inability/delay to grow revenue and profitability form successful events in new territories	− Develop a pipeline of potential new business and partners − Allocate adequate resources to ensure a steady pipeline year round − Continue diversification to reduce dependency on individual licence partner performance	Head of Live Operations
5. 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 to ensure the sales process is as smooth as possible for clients − Ensure delivery of projects meet expected standards and contractual obligations	Executive Chairman

6.	**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	Executive Chairman
7.	**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	Head of Live Operations
8.	**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	Executive Chairman
9.	**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	Chief Operating Officer
10.	**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	Executive Chairman

OPERATIONAL REVIEW

During 2022 and 2023 the Group has continued to focus on increasing and improving its offerings. The K-POP division added one new event in 2023, the StART division added two events in new territories including Korea and South Africa, LCSE staged the Cape Town Formula E Race and hosted the Cape Town leg of the Global Ocean Race, and BRICKLIVE added shows in new locations and hosted its first event since 2019.

BRICKLIVE Tours and Trails

Our zoo programme continued to build on its successful US strategy with new bookings in Stone Zoo in Massachusetts, Oklahoma City Zoo and Botanical Gardens, Detroit Zoo and Omaha's Botanical Gardens. Additionally, we had new bookings with two zoos in the Netherlands and with Knowsley Zoo in the UK.

In 2022 a total of 40 Tours (2021: 42 Tours) were sold for client events in the UK, Europe, Asia and the US. Although the number of Tours was minimally lower in 2022, the revenues from these Tours were greater than in 2021. Pre-pandemic BRICKLIVE sold 71 Tours and the Group's strategy is to return BRICKLIVE to this delivery level. To achieve this BRICKLIVE will look at new markets in the Middle East, not currently covered with our existing partners, as well as a renewed focus on tour utilisation with a streamlined team.

Following our strategy to optimise the BRICKLIVE assets, two underperforming tours - Mythical Beasts and Outer Space – were sold in May 2023 for £350,000. Whilst we had success with these tours, they have not been as popular in recent times and hence a buyer for the assets was sourced.

BRICKLIVE Shows and Events

The first BRICKLIVE event since the global pandemic took place in Battersea Park in London over five days in August 2022. 'BRICKLIVE in the Park' was the first live show since 2019. Two new contracts were signed for BRICKLIVE Paddington, with a heritage steam railway company for May 2022 and with the Paddington Now BID for July 2022. A new contract for Paw Patrol was signed with Northampton BID for March 2022, and for BRICKLIVE SAFARI with Toulouse Evenements for October 2022.

Live Company Sports and Entertainment

In March 2022 the LSCE Division hosted the annual Cape Town Cycle Tour, which returned to its usual March slot post Covid, and post balance sheet the cycle tour was run again in March 2023.

In February 2023 the division staged the very successful Cape Town E-prix and the Cape Town stopover of the Ocean Race.

Throughout the year the Division also participated in producing several Pick 'n' Pay Wine Festivals in South Africa.

Formula E

In October 2022 it was announced that FIA would add Cape Town to the 2023 Formula E World Championship race calendar. The sold-out E-prix took place, post balance sheet, in March 2023. Revenue was generated principally from a staging fee of £200,000 as there was no title sponsor in this inaugural year. The Company is hopeful that with the success of the event a title sponsor can be secured for a return to Cape Town and that additional revenue streams such as merchandising can be explored.

StART collaborated with Formula E with an exhibition in Cape Town featuring emerging artists' works from the respective cities.

During 2022 E-Movement Pty Ltd attracted an investment of ZAR16.5m (£0.825m) which valued the company at ZAR 63m (£3.15m). Post this new investment, the Group owned 14.83% of E-Movement Pty Ltd., which in turn implied a ZAR 9.3m (£0.47m) valuation for LVCG's stake - a close to 500% increase in investment. At 31 December 2022 the Company impaired its investment in E-Movement Pty Ltd by £30,000 to reflect the Group share of the losses incurred by the associate.

KPOP DIVISION

In 2022 we saw the launch of the K-POP Division of the Group with the KPOP.FLEX / K.Flex festival held at the Deutsche Bank Park Stadium in Frankfurt, Germany in May 2022. The May 2022 event in Frankfurt reported a profit of £80,000 to LVCG and LVCG was also able to recover £137,000 of staff costs.

Additionally, we signed a contract with Doors Live AB for the online streaming of the Frankfurt festival across multiple time zones. We also entered into a merchandising agreement with Nylon – who paid a minimum guarantee of £350,000. Nylon used the KPOP.FLEX and FLEXEY names and associated logos to develop, manufacture, and sell certain goods at the festival, with 75% of net profit from sales at the festival, online and off-site payable to LVCG.

The KPOP LUX brand, which was introduced in 2023, had one concert on the schedule for this year in Madrid (which took place on 22 July) in partnership with SBS. Two further concerts planned for 2023, Frankfurt KPOP.Flex and the KPOP LUX Super Concert London, were postponed. The contracts are multi-year and further future opportunities have been identified in Europe, using a low risk licencing business model which will greatly reduce the funding requirements which were proving a burden on the Company.

In 2024 and beyond these European events are expected to generate significant revenues. Revenue will come from ticket sales, merchandise, streaming and sponsorship. The corresponding contracts are for four years, and one-day shows have the option to extend to multi-day festivals. As a result, revenues and profits should increase. Negotiations to extend our concert offerings further afield are in advanced stages – including Japan.

StART.Art

In July 2022 we agreed to acquire the remaining 80.06% of the issued share capital of StART Art for £3,202,243 to bring it into the Group's full ownership and to allow for the streamlining of costs and efficiencies.

StART ART FAIR was held in London at the Saatchi Gallery in October 2022 and was very successful. This year's event – the 10th anniversary edition – is once again at the Saatchi Gallery in October, coinciding with Frieze Week.

StART ART FAIR SEOUL held successful flagship store-type exhibitions and art fairs at the Grand Intercontinental Hotel and Galleria Foret in Seoul in May and September 2022. Additionally, StArt + was held at 131 A Gallery in Cape Town from 8-12 March 2022.

In late 2023, the Independent Non-Executive Directors agreed, subject to a General Meeting, to cancel the acquisition of the 80.06% of StART.Art announced on 8 July 2022 (and mentioned above) in return for the cancellation of all amounts owing to David Ciclitira and Ranjit Murugason being up to an aggregate of £500,000 in cash and £519,800 in Ordinary Shares, with the Company retaining a 19.94% interest.

	2022 £'000	2021 as restated £'000
Revenue	**4,774**	**2,674**
Gross profit/(loss)	**(98)**	**36**
Gross profit/(loss) %	(2%)	1%
Administrative expenses	(9,400)	(3,261)
Operating loss	**(9,498)**	**(3,225)**
Addback: Depreciation, amortisation and impairment	6,917	1,147
Addback: Exceptional items	238	381
Pre-exceptional items EBITDA loss	**(2,243)**	**(1,697)**
Exceptional items:		
Share option and warrant charge	(195)	(285)
Other exceptional costs	(43)	(96)
Total exceptional costs	**(238)**	**(381)**
Depreciation and amortisation	(6,917)	(1,147)
Finance costs	(107)	(108)
Taxation	(57)	688
Non-Controlling Interest	(9)	-
Loss after tax attributable to owners of the parent	**(9,671)**	**(2,645)**

Pre-exceptional Items EBITDA (PXEBITDA)

The Group uses the alternative performance measures 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.

Due to accounts being presented in thousands, there may be minor discrepancies arising from rounding adjustments.

SECTION 172(1) STATEMENT

Section 172(1) of the Companies Act 2006 requires the Directors of the Company to act in a way that they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

a. The likely consequences of any decision in the long-term;
b. The interests of the Company's employees;
c. The need to foster the Company's business relationships with suppliers, customers and others;
d. The impact of the Company's operations on the community and the environment;
e. The desirability of the Company maintaining a reputation for high standards of business conduct; and
f. The need to act fairly as between members of the Company.

The Board of Directors is collectively responsible for the decisions made towards the long-term success of the Company and how the strategic, operational and risk management decisions have been implemented throughout the business is detailed in the Strategic Report on pages 4 to 17.

Employees

Our employees are one of the primary assets of our business, and the Board recognises that our employees are the key resource that enables delivering the Group's strategy and goals.

Annual pay and benefit reviews are carried out to determine whether all levels of employees are benefited equally and to retain and encourage skills vital for the business. The Remuneration Committee oversees and makes recommendations of executive remuneration and option awards.

The Board periodically reviews the health and safety measures implemented in the business premises and improvements are recommended for better practices.

A number of staff have worked remotely during the year. We continue to monitor our staffing resources carefully and where appropriate have made certain redundancies.

Suppliers, Customers and Regulatory Authorities

The Board acknowledges that a strong business relationship with suppliers and customers is a vital part of the growth. Whilst day-to-day business operations considering suppliers and customers are delegated to the executive management, the Board sets directions and evaluates policies with regard to new business ventures and investing in research and development. The Board upholds ethical business behaviour and encourages management to seek comparable business practices from all suppliers and customers doing business with the Company.

We value the feedback we receive from our stakeholders, and we take every opportunity to ensure that, where possible, their wishes are duly considered. The Board is aware of its regulatory requirements and receives training and advice when required. In 2020 the directors received a refresher update on the requirements under the UK Market Abuse regulations and disclosure of information to the Market.

Maintaining High Standards of Business Conduct

The Company is incorporated in the UK and governed by the Companies Act 2006. The Company has adopted the Quoted Companies Alliance Corporate Governance Code 2018 (the "QCA Code") and the Board recognises the importance of maintaining a good level of corporate governance, which, together with the requirements to comply with the AIM Rules, ensures that the interests of the Company's stakeholders are safeguarded.

Anti-corruption and anti-bribery training are compulsory for all staff and contractors, and the anti-bribery statement and policy is contained in the Company's Employee Manual. The Company's expectation of honest, fair and professional behaviour is reflected by this and there is zero tolerance for bribery and unethical behaviour by anyone relating to the Company.

The importance of making all staff feel safe in their environment is maintained and a whistleblowing policy is in place to enable staff to confidentially raise any concerns freely and to discuss any issues that arise. Strong financial controls are in place and are well documented. The risk framework and key business risks reviewed by the Audit Committee which in turn reports to the Board.

Additionally, the Board upholds high standards of care towards the community and environment.

Shareholders

The Board recognises the significance of transparent and effective communications with its investors and places equal importance on all shareholders. As an AIM listed company, there is a need to provide fair and balanced information in a way that is understandable to all stakeholders and particularly our shareholders. The primary communication tool with our shareholders is through the Regulatory News Service ("RNS"), on regulatory matters and matters of material substance. The Company's website provides details of the business, investor presentations and details of the Board and Committees, changes to major shareholder information, QCA Code disclosure and updates under AIM Rule 26. Changes are promptly published on the website to enable the shareholders to be kept abreast of Company's affairs. The Company's Annual Report and Notice of Annual General Meetings (AGM) are available to all shareholders. The Interim Report and other investor presentations are also available and can be downloaded from our website.

Typically, the chair of the Audit Committee and the chair of the Remuneration and Nominations Committee attend the AGM (either in person or virtually) and are available to answer any questions. There are also opportunities throughout the year for shareholders to engage with the Board and members of the Executive Team, through general meetings, investor events and the Company's Q&A session.

David Ciclitira
Chairman
2 February 2024

Live Company Group plc Board of Directors

David Ciclitira (Executive Chairman)

During his 40-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. David remains at the innovative forefront of music promotion, bringing K-pop to new audiences around the world through LVCG KPOP Lux and K.Flex events.

In May 2016, David invested in Brick Live Group and became its Chairman and its majority shareholder. In December 2018, David reversed Brick Live Group and its sister company Parallel Live Group 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.

In 2022, LVCG became a shareholder in Start Art Global, an umbrella company which encompasses the StART.Art ecommerce art platform and internationally renowned StArt Art Fair, both created by David and capitalising on over 15 years of acquired experience in creating and promoting art projects and events around the world for emerging artists.

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.

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.

Maria Serena Papi (Non-Executive Director) (resigned 27 September 2023)

Maria Serena (also known as Serenella Ciclitira) 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 w hich 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 is David Ciclitira's long term partner.

Serenella's international expertise provided the Group with an effective sounding board when dealing with different cultures around the world. Serenella gave the Board a gender balanced view of matters being discussed and the Group is grateful for her many years of counsel to the Board on all matters relating to its art division.

Bryan Lawrie (Non- Executive Director)

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.

Stephen Birrell (Independent Non-Executive Director)

Stephen has been working at board level and in senior executive levels for the past 17 years. He has over 35 years of experience in business and technical roles since graduating from Strathclyde University in 1985. He has co-founded several niche companies during that time including Granite Rock, a sports and competition-based business; a niche technical consultancy; a knowledge management and software business and was instrumental in growing and improving a number of developing businesses.

He focuses on areas of business performance improvement, assurance, and corporate development, working with teams to achieve successful outcomes.

Stephen is based in London and is an executive director of Ossian Energy Limited and an independent non-executive director for both Ascent Resources Plc and Coro Energy Plc.

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, Nicola Gross, Group Director, Sarah Ullman, COO, and Bruce Parker-Forsyth, Managing Director of Live Company Sports and Entertainment. 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 contains additional expertise in production, operations, design services as well global event planning events and ordinarily meets each month.

It consists of:

Name	Position
David Ciclitira[1]	Executive Chairman
Nicola Gross	Group Director
Sarah Ullman	Chief Operating Officer
Bruce Parker-Forsyth	Managing Director, LCSE

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

The Group is currently recruiting a new Chief Financial Officer, in the interregnum Bryan Lawrie, a Non-Executive director, is taking an active role in supporting the Executive Team in relation to the Group's finances and accounts.

Shareholder Relations

During the year, we engaged with our shareholders through several channels. We actively engage using social media, RNS reach and platforms such as Investor meet for live webinars and Q&A sessions. We have also returned to live General and Annual General Meetings where shareholders are invited to attend in person.

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'). 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 conceptualise, license, acquire rights, commercialise and deliver shows, events and exhibitions.

The Group has licensee partners and venue operators to promote and operate BRICKLIVE shows, events and exhibitions globally, providing both content and technical support to partners for a licence and content fee.

Additionally, it has licensee partners within its KPOP and StART divisions.

In July 2022 the Group completed the full acquisition of StART which became a division of the Group rather than a minority investment. Since that date, the decision has been taken to reverse the acquisition, subject to shareholder approval at a General Meeting to be held in the first quarter of 2024.

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

Principle Two: Understanding Shareholder Needs and Expectations

The Board is committed to communicating effectively with its shareholders.

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

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

Principle Three: Stakeholder Responsibilities

The Board recognises the long-term success of the Group is reliant upon the efforts of the employees, contractors, suppliers and 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.

Shareholders: The Group communicates regularly with its shareholders, providing information updates using regulatory and non-regulatory news releases, the periodic magazine, keeping the investor section of the website up to date, and posting regular news updates from shows on the Company's social media channels, including Instagram which was added in 2021.

Principle Four: Risk Management

The Group has an established Audit Committee, chaired by Bryan Lawrie. 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 11 to 13. 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.

David Ciclitira occupies the dual role of Executive Director and Chairman of the Board. Given the stage of the Company's development, David Ciclitira's experience in event marketing and promotion, and his familiarity with the Company's projects, the Company believes that it is appropriate for the roles to be combined but will be reviewing this as the Company develops with a view to splitting the role when the Company can justify the need for, and expenditure in relation to, a separate Chief Executive. The Company is also committed to the appointment of a qualified Finance Director before the publication of the next Annual Report.

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

The Executive Chairman and Non-Executive Directors are engaged under service contracts requiring between three and twelve months' notice by either party.

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

The Board of Directors have a diversified skill set, 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 is committed to carrying out regular evaluation of its performance and effectiveness. The last Board evaluation was completed in 2022.

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. Post COVID-19, we are still very focused on the health and safety of our visitors.

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 2022 there were 13 Board meetings which were a combination of virtual and in person.

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 Ullman, 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 includes weekly 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: Bryan Lawrie (Chair), Stephen Birrell, David Ciclitira and Ranjit Murugans; with Stephen Birrell and Bryan Lawrie having joined the Audit Committee in 2022, and Bryan Lawrie having taken over chairmanship in 2023. The Audit Committee meetings occur at least twice each financial year and in 2022 met two times.

- 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, at the 2021 AGM. Post Balance Sheet Moore Kingston Smith has been replaced by MHA, a UK independent member of Baker Tilly International. This appointment and fees will be ratified at the AGM in July 2023; 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), Bryan Lawrie and Stephen Birrell; with Stephen having joined the Remuneration Committee in 2022 and Bryan Lawrie having joined in 2023. The Remuneration Committee meetings occur at least once each financial year and in 2022 they met twice.

In 2022, the Remuneration Committee considered the remuneration package for the Executive team. 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 and Stephen Birrell . The Nomination Committee meetings occur as and when required and in 2022 they met once.

In 2022, 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. After the year end, and in line with best practice, the Board appointed Stephen Birrell, the senior independent director, to undertake a full board review. The implementation of the outcome of this review is currently being progressed.

The Executive team retains full control of the Group's operational management but has delegated day to day control to Executive Directors. A full description of the Executive team is found on page 20.

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.

Through the promotion of e-Fest and the Cape Town e-Prix, the Group's LCSE division actively supports the move to carbon free transport and promotion of electric vehicles.

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 2 February 2024 and signed on its behalf by

David Ciclitira
Chairman

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 worldwide and to provide access to international sports, art and entertainment events/shows via its K-POP, StART.Art and LCSE divisions.

Branches in the EU

The Group has no branches outside of the United Kingdom.

Financial Risk Management

The Group's financial risk management objectives are detailed in Note 25.

Dividend

No dividend is recommended in respect of the year ended 31 December 2022 (2021 - £Nil).

Directors

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

David Ciclitira	-	Executive Chairman
Ranjit Murugason	-	Senior Non-Executive Director
Maria Serena Papi	-	Non-Executive Director (resigned 27 September 2023)
Stephen Birrell	-	Non-Executive Director
Bryan Lawrie	-	Non-Executive Director

Directors' interests in shares

The beneficial interests in the Ordinary share capital of the Company of the Directors in office at 31 December 2022 were as follows:

Director	**2022 1p Ordinary shares**	**2021 1p Ordinary shares**
David Ciclitira (and owned companies)*	54,374,910	36,684,874
Maria Serena Papi (Serenella Ciclitira)*	1,562	1,562
Ranjit Murugason	7,972,454	1,320,317
Bryan Lawrie	838,051	90,384
Stephen Birrell	428,572	-

** connected persons*

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

Holder	2022 1p Ordinary shares	2021 1p Ordinary shares	Beneficial interest
David Ciclitira	54,051,944	36,361,908	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 Limited	116,434	116,434	A Company held by a discretionary trust, of which D Ciclitira is a potential beneficiary
Maria Serena Papi (Serenella Ciclitira)	1,562	1,562	Held indirectly by Serenella Ciclitira (long term partner of D Ciclitira)
	54,376,472	**36,686,436**	

Substantial shareholdings

The following investors notified the Directors that they currently hold or are beneficially interested in 3% or more of the Company's 259,898,920 1p Ordinary shares in issue as at 31 July 2023.

	No. of 1p Ordinary shares	% of issued share capital
David Ciclitira*	54,376,472	20.92
Jason Lee	20,000,000	7.69
Premier Milton Group Plc	12,529,592	4.82
Spreadex***	10,282,137	3.96
Hyon Seok Kim Concert Party**	10,165,393	3.91
Ranjit Murugason	7,972,454	3.07
	115,326,048	**44.37**

* David Ciclitira's 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 Maria Serena Papi.

** The Hyun Seok Kim Concert Party includes Ordinary Shares held by Brick Live Lab Limited and CIDEA Limited.

*** CFD/Spread bet financial instruments

Current Director Shareholdings

Set out below are the Directors' interests in the Ordinary share capital of the Company at 31 May 2023 together with details of options and warrants as set out in Note 31.

	No. of 1p Ordinary shares	% of issued share capital	No. of warrants	No. of options
David Ciclitira (and owned companies)*	54,374,910	20.92	-	2,000,000
Maria Serena Papi (Serenella Ciclitira)*	1,562	0.00	-	50,000
Ranjit Murugason	7,972,454	3.07	-	50,000
Bryan Lawrie	838,051	0.32	-	50,000
Stephen Birrell	428,572	0.16	-	50,000
	63,615,549	**24.47**	**-**	**2,200,000**

** 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.

Going Concern

Background and Summary

After careful assessment, the Directors have adopted the going concern basis in preparing these financial statements as set out in note 2.1. The process and key judgments in coming to this conclusion are set out below. The going concern status of the Companies is intrinsically linked to that of the Group.

There remains a material uncertainty relating to going concern due to the Groups current and recent trading performance and the remaining uncertainty relating to the proposed loan of £1,500,000 from the new cornerstone investor and £500,000 placing agreement disclosed within the Chairman's statement on page 8.

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Review, Chairmen's Statement and Operating Review.

Cash Flows, Covenants and Stress Testing

For the purposes of the going concern assessment, the Directors have prepared monthly cash flow projections for the period to 31 January 2026 (the assessment period). The Directors consider this to be a reasonable period for the going concern assessment as it enables us to consider the potential impact of macroeconomic and geopolitical factors over an extended period. The cash flow projections show that the Group requires additional external support in the form of an underwritten financial guarantee from the majority shareholder and a binding conversion of a loan to equity swap. This will enable the business to meet its financial obligations and comply with all covenants in our banking facilities.

In addition, mitigating actions available to the Group, should they be required, include reductions in discretionary expenditure and ceasing dividend payments.

Going Concern Statement

After considering the monthly cash flow projections, and the facilities available to the Group and Company, the Directors have a reasonable expectation that the Group and Company will secure the additional £1.5m loan facility and £500k placing agreement, described in the Chairman's statement on page 8, enabling them to meet their existing obligations with the added support of the guarantee from the majority shareholder to 31 January 2025. I have also confirmed a £1,000,000 financial guarantee to support the cashflow of the business for 12 months from date of signing these financial statements.

Accordingly, and having reassessed the principal risks and uncertainties, the Directors considered it appropriate to adopt the going concern basis in preparing the Group and Company financial statements. It is recognised that cash flow remains a risk. However here remains a material uncertainty relating to going concern.

Events After The Year End

Events after the year end have been detailed in the Strategic Report and in Note 35.

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 appointed MHA McIntyre Hudson as auditors for the Company for the financial year 2022 at the July 2023 Annual General Meeting. Following a rebranding exercise, the trading name of the Group's independent auditor changed from MHA Macintyre Hudson to MHA. A resolution to reappoint MHA will be proposed at the next General Meeting.

On behalf of the Board

David Ciclitira
Chairman
2 February 2024

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 UK adopted International Financial Reporting Standards ("UK adopted IFRS") 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 UK adopted IFRS; 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.

For the purpose of this report, the terms “we” and “our” denote MHA in relation to UK legal, professional and regulatory responsibilities and reporting obligations to the members of Live Company Group Plc. For the purposes of the table on pages 37 to 40 that sets out the key audit matters and how our audit addressed the key audit matters, the terms “we” and “our” refer to MHA. The Group financial statements, as defined below, consolidate the accounts of Live Company Group Plc and its subsidiaries (the “Group”). The “Parent Company” is defined as Live Company Group Plc, as an individual entity. The relevant legislation governing the Company is the United Kingdom Companies Act 2006 (“Companies Act 2006”).

Qualified opinion

We have audited the financial statements of Live Company Group Plc for the year ended 31 December 2022.

The financial statements that we have audited comprise:

- the Consolidated Statement of Comprehensive Income
- the Consolidated and Company Statements of Financial Position
- the Consolidated and Company Statements of Changes in Equity
- the Consolidated and Company Statements of Cash Flow
- Notes 1 to 36 to the consolidated financial statements, including significant accounting policies

The financial reporting framework that has been applied in the preparation of the group and parent company’s financial statements is applicable law and UK adopted IFRS.

In our opinion, except for the possible effects of the matters described in the basis for qualified opinion section, 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 2022 and of the Group’s loss for the year then ended;
- have been properly prepared in accordance with UK adopted IFRS; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for qualified opinion

Matter 1: Inventories

We were unable to obtain sufficient audit evidence to confirm whether the valuation of inventory (bricks) amounting to £2,480,247 recognised in the Consolidated Statement of Financial Position is valued at the lower of cost and net realisable value. A historic ‘fair value’ valuation report has been used as in prior years. We have observed that the inventory has not moved significantly in the 12 months since 31 December 2022, and we are unable to form an opinion over the inventories held at the year-end.

We were unable to obtain sufficient appropriate evidence on the existence and valuation for part of the Group’s inventories recognised in the Consolidated Statement of Financial Position, amounting to £133,031. This amount comprises Lego sets held for sale amounting to £62,689, and merchandise held amounting to £70,342. We were unable to validate these inventory valuations as insufficient inventory records were maintained by the Group to support stock valuation as at the year end, and we have not been able to satisfy ourselves by alternate means.

Matter 2: Goodwill and accounting for business acquisition

We have been unable to obtain sufficient audit evidence over the Group's assessment of fair values of assets and liabilities recorded in the financial statements at £279,000, in respect of the acquisition of Start Art Global Limited. We have also been unable to obtain sufficient audit evidence over the Group's calculation of goodwill amounting to £3,924,000 relating to the same acquisition. We have not been able to satisfy ourselves by alternate means. As such, the risk remains that the goodwill recognised on the acquisition date, and the impairment recognised thereon in the year ended 31 December 2022, as presented in Note 18, could be misstated.

The company has announced that it is has agreed with a related party to cancel the acquisition of the 80.06% of Start Art Global Limited which highlights potential concern of the original investment. The contingent consideration amounting to £965,343 payable for Start Art Global Limited share acquisition remains a liability.

We therefore have been unable to draw any conclusion whether the accounting for the acquisition, its impairment and potential matters arising with the cancellation have been accurately accounted for in the financial statements of the group.

Matter 3: Carrying value of investments – Brick Live Group

Brick Live Group is held at £8,841,000 in the company balance sheet as an investment in subsidiary.

Our audit work has identified several concerns on the discounted cash flow projections prepared by management and the evidence to substantiate its accuracy. This is an area of high estimation and judgement and we remain concerned that the future projections are optimistic and cannot be sufficiently substantiated. Furthermore, the workings for the discount rate used by management have no support and raises questions on its accuracy.

At this point, we are unable to conclude whether the valuation of the investment requires any impairment.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the 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 ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Material uncertainty related to going concern.

We draw your attention to note 2.1 in the financial statements which states that the Group incurred a net loss of £9,664,000 during the year ended 31 December 2022. The Group and Parent Company's ability to continue operating as a going concern is dependent on it raising further debt or equity funding. The impact of this together with other matters set out in the note, indicate that a material uncertainty exists that may cast significant doubt on the group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group and Parent Company's ability to continue to adopt the going concern basis of accounting included:

- The consideration of inherent risks to the Group's operations and specifically its business model.
- The evaluation of how those risks might impact on the Group's available financial resources.
- Where additional resources may be required the reasonableness and practicality of the assumptions made by the Directors when assessing the probability and likelihood of those resources becoming available.
- Liquidity and solvency considerations including examination of cash flow projections, review and assessment of the model's mechanical accuracy and the reasonableness of assumptions included within.
- Consideration of availability of funds required to settle outstanding loans due for repayment during the going concern review period. Assessing the reasonableness and practicality of the mitigation measures identified by management in their conservative case scenario and considered by them in arriving at their conclusions about the existence of any uncertainties in respect of going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Overview of our audit approach

Scope	Our audit was scoped by obtaining an understanding of the Group, including the Parent Company, and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the directors that may have represented a risk of material misstatement. We, and our component auditors acting on specific group instructions, undertook full scope audits on the complete financial information of 7 components, and analytical procedures were undertaken on the remaining components.

Materiality	**2022**	**2021**	
Group	£47,700	£109,000	1% of revenue (2021: 0.9% of gross assets)
Parent Company	£47,699	£100,000	0.4% of gross assets (2021: 0.7% of gross assets)

Key audit matters
• Group Goodwill and Company Investments • Valuation of inventories

Key Audit Matters

In addition to the matters described in the Basis for qualified opinion section, we have determined the matters described below to the Key Audit Matters to be communicated in our report. 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) that we identified. These matters included those matters 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.

Impairment of Group Goodwill and Company Investments	
Key audit matter description	The parent Company holds various investments in subsidiaries and has goodwill recognised on the Group balance sheet. Goodwill on each cash generating unit and investments held on the Company balance sheet are identified and assessed separately. There is the risk that such assets are overstated and therefore misleading users of the financial statements. In respect of the parent company standalone, investments in subsidiaries and receivables held may not be recoverable as this assessment is typically based on how well the underlying entities are performing.
How the scope of our audit responded to the key audit matter	We obtained management's impairment calculations in respect of material goodwill balances recognised on the Group balance sheet, and for material investment balances recognised on the parent Company balance sheet. We have reviewed the discounted cash flow models and reviewed the sensitivity calculations presented to us by management. As part of this work we have considered post balance sheet performance by review of post year end management accounts and forecasts.
Key observations communicated to the Group's Audit Committee	We have been unable to obtain sufficient audit evidence over the Group's accounting conclusions for the fair value adjustments on acquisition of Start Art Global Limited. We are concerned that such adjustment maybe required, and that management have not provided sufficient evidence in respect of intangible assets acquired to reduce the amount allocated to goodwill which currently totals £3,924k, and that the fair value of assets and liabilities as at the date of acquisition was not accurately determined. It appears to us that management have not considered if the deferred consideration is actually likely to be payable. Accordingly, we were unable to obtain sufficient appropriate evidence over whether the assets and liabilities at acquisition date are recognised at fair value. We are further concerned that the Directors have concluded that this investment is significantly impaired as at 31 December 2022. The company has announced since the year end that it is has agreed with a related party to cancel the acquisition of the 80.06% of Start Art Global Limited which highlights potential concern of the original investment. We are concerned that are further legal or regulatory ramifications which could arise and have not been considered by management.

	Therefore, we have been unable to verify whether the valuation of the goodwill and impairment adjustment is accurate or not. We have been unable to draw any conclusion whether accounting for the acquisition, its impairment and potential matters arising with the cancellation have been accurately accounted for in the financial statements of the group. We have qualified our audit opinion in respect of the fair value accounting for the acquisition of Start Art Global Ltd as stated in the basis of qualified opinion section.

Valuation of inventories

Key audit matter description	The Group recognises inventory on the balance sheet, previously acquired through a business acquisition, and initially recognised at fair value. Inventories were also slow moving despite the high valuation, and so there is a risk that inventories are overstated, or not recognised at the lower of net releasable value and cost. We have also observed that inventory of bricks has not moved significantly in the 12 months since 31 December 2022 which raises our concern whether further impairments in inventory would be required.
How the scope of our audit responded to the key audit matter	Post year end inventory counts were performed, of which we attended and tested. We considered whether the inventories previously acquired through a business combination were correctly valued at the lower of cost and net realisable value. We carried out analytical procedures on inventory movements where there were indicators of slow-moving inventory. We carried out testing of post year end sales and market research on selling prices, to assess whether inventory requires impairment. Where accurate year end inventory valuations were not available for certain lines of inventory, we considered the impact on our audit opinion.
Key observations communicated to the Group's Audit Committee	We found Group's inventory control systems to be weak and we are unable to obtain sufficient audit evidence to confirm the valuation of inventory of bricks amounting to £2,480,247 is accounted for at the lower of cost or net realisable value. We have carried out appropriate testing to verify the physical existence of stock.

We are unable to form an opinion over the accuracy of inventory valuations amounting to £70,342 as at the year-end, as inventory counts were not performed at the year end or at the acquisition date (31 July 2022) of Start Art Global Ltd.

We were unable to obtain sufficient appropriate evidence on the existence and valuation of Lego sets held for sale amounting to £62,689. We were unable to validate these inventory valuations as insufficient inventory records were maintained by the Group to support stock valuation as at the year end.

Our audit work has been unable to verify the accurate carrying value of stock at the value of lower of cost and net realisable value.

Essentially, we are unable to confirm whether inventory valuations are accurate and correctly accounted for at the lower of cost and net realisable value, as required by UK adopted IFRS.

We have qualified our audit opinion in respect of inventory valuations as stated in the basis of qualified opinion section.

Our application of materiality

Our definition of materiality considers the value of error or omission on the financial statements that, individually or in aggregate, would change or influence the economic decision of a reasonably knowledgeable user of those financial statements. Misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole. Materiality is used in planning the scope of our work, executing that work and evaluating the results.

Overall Materiality	Group: £47,700 (2021: £109,000) Parent Company: £47,699 (2021: £100,000)
Basis of determining overall materiality	Materiality in respect of the Group was determined on the basis of 1% of the Group's revenue (2021: 0.9% of the Group's gross assets). Materiality in respect of the Parent Company was determined on the basis of 0.4% of the entity's gross assets (2021: 0.7% of gross assets). Revenue was deemed to be the appropriate benchmark for the calculation of materiality in respect of the year ended 31 December 2022, as this is a key area of the financial statements because this is the metric by which the performance and risk exposure of the Group is principally assessed. As the parent Company does not generate any significant amount of revenue, gross assets was considered to be the next most appropriate benchmark. In our opinion this is therefore the benchmark with which the users of the financial statements are principally concerned.

Performance materiality	Group: £28,620 (2021: £54,500) Parent Company: £28,619 (2021: £50,000)
Basis of determining overall performance materiality	Performance materiality for the Group and parent Company was set based on 60% (2021: 50%) of overall materiality. Performance materiality is the application of materiality at the individual account or balance level, set at an amount to reduce, to an appropriately low level, the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole. The determination of performance materiality reflects our assessment of the risk of undetected errors existing, the nature of the systems and controls and the level of misstatements arising in previous audits.
Error reporting threshold	We agreed to report any corrected or uncorrected adjustments exceeding £2,320 for both the Group and parent Company (2021: £5,450 for the Group and £5,000 for the parent Company) to the Audit Committee as well as differences below this threshold that in our view warranted reporting on qualitative grounds.

Overview of the scope of the Group and Parent Company audits

Our assessment of audit risk, evaluation of materiality and our determination of performance materiality sets our audit scope for each company within the Group. Taken together, this enables us to form an opinion on the consolidated financial statements. This assessment takes into account the size, risk profile, organisation / distribution and effectiveness of group-wide controls, changes in the business environment and other factors such as recent internal audit results when assessing the level of work to be performed at each component.

In assessing the risk of material misstatement to the consolidated financial statements, and to ensure we had adequate quantitative and qualitative coverage of significant accounts in the consolidated financial statements, of the 17 components of the group, we identified 7 trading components in the UK, mainland Europe, USA and South Africa, which represent the principal business units within the Group.

Full scope audits - Of the 7 trading components, audits of the complete financial information of 7 components were undertaken, these entities were selected based upon their size or risk characteristics.

For 6 of the 7 trading components, we carried out specified audit procedures and group analytical review. For 1 of the 7 trading components. the group audit team was involved in the audit work performed by a component auditor in South Africa auditor. Our work was combination of group planning meetings and calls, provision of group instructions, review of the responses and findings from the audit, and challenge of related component reporting and of findings from their working papers. Our audit approach included all entities that were in scope under our predetermined materiality calculations.

The control environment

We evaluated the design and implementation of those internal controls of the Group, including the Parent Company, which are relevant to our audit, such as those relating to the financial reporting cycle.

We deployed our internal IT audit specialists to obtain an understanding of the general IT environment.

Climate-related risks

In planning our audit and gaining an understanding of the Group and Parent Company, we considered the potential impact of climate-related risks on the business and its financial statements. We held discussions with management to understand their process for identifying and assessing those risks and reviewed supporting documentation where available.

We have noted managements' assessment that climate-related risks are not material to these financial statements. We suggested to management that climate risk reporting should be included in the 2023 financial statements.

Reporting on other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Except for the possible effects of the matters described in the basis for qualified opinion section of our report, we have nothing to report in this regard.

Strategic report and directors report

Except for the possible effects of the matters described in the basis for qualified opinion section of our report, in our opinion, based on the work undertaken in the course of the audit:

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

Except for the matters described in the Basis for qualified opinion section of our report, in the light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Arising solely from the limitation on the scope of our work relating to the matters described in the Basis for qualified opinion section of our report:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit;
- we were unable to determine whether adequate accounting records have been kept by the parent company; and
- we were unable to determine whether the parent company financial statements are not in agreement with the accounting records and returns.

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

- returns adequate for our audit have not been received by branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor 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.

A further description of our responsibilities for the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

Identifying and assessing potential risks arising from irregularities, including fraud

The extent of the procedures undertaken to identify and assess the risks of material misstatement in respect of irregularities, including fraud, included the following:

- We considered the nature of the industry and sector the control environment, business performance including remuneration policies and the Group's, including the Parent Company's, own risk assessment that irregularities might occur as a result of fraud or error. From our sector experience and through discussion with the directors, we obtained an understanding of the legal and regulatory frameworks applicable to the Group focusing on laws and regulations that could reasonably be expected to have a direct material effect on the financial statements, such as provisions of the Companies Act 2006, UK tax legislation or those that had a fundamental effect on the operations of the Group.
- We enquired of the directors and management concerning the Group's and the Parent Company's policies and procedures relating to:
  - identifying, evaluating and complying with the laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they had any knowledge of actual or suspected fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur by evaluating management's incentives and opportunities for manipulation of the financial statements. This included utilising the spectrum of inherent risk and an evaluation of the risk of management override of controls.
- We determined that the principal risks were related to posting inappropriate journal entries to increase revenue, and management bias in accounting estimates. The group engagement team shared this risk assessment with the Component Auditors of Significant Subsidiaries so that they could include appropriate audit procedures in response to such risks in their work.
- Discussing among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

Audit response to risks identified

In respect of the above procedures:

- we corroborated the results of our enquiries through our review of the minutes of the Group's and the Parent Company's board and audit committee meetings, and inspection of legal and regulatory correspondence and correspondences from the AIM regulators;
- audit procedures performed by the engagement team in connection with the risks identified included:
  - reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations expected to have a direct impact on the financial statements.
  - testing journal entries, including those processed late for financial statements preparation, those posted by infrequent or unexpected users, those posted to unusual account combinations;

  - evaluating the business rationale of significant transactions outside the normal course of business, and reviewing accounting estimates for bias;
  - enquiry of management around actual and potential litigation and claims.
  - challenging the assumptions and judgements made by management in its significant accounting estimates; and
  - obtaining confirmations from third parties to confirm existence of a sample of balances.
- The Senior Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities; and
- we communicated relevant laws and regulations and potential fraud risks to all engagement team members, including experts and the component auditors and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Use of our report

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

Rajeev Shaunak FCA

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Rajeev Shaunak BSc FCA (Senior Statutory Auditor)
for and on behalf of MHA, Statutory Auditor
London, United Kingdom
2 February 2024

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Year to 31 December 2022 £'000	2021 as restated £'000
Continuing operations			
Revenue		4,774	2,674
Cost of sales		(4,872)	(2,638)
Gross (loss)/profit		**(98)**	**36**
Administrative expenses (including exceptional costs of £238k (2021 - £381k) – see note 7		(9,215)	(3,213)
Impairment allowance on trade receivables		(155)	(48)
Share of loss from associates and joint ventures	17	(30)	-
Operating loss	6	**(9,498)**	**(3,225)**
Finance costs	11	(107)	(108)
Loss for the year before tax		**(9,605)**	**(3,333)**
Taxation	12	(57)	688
Loss for the year		**(9,662)**	**(2,645)**
Other comprehensive income			
Items that may be reclassified in future periods			
Translation of foreign operation		(2)	-
Total other comprehensive loss		**(2)**	**-**
Total comprehensive loss for the year		**(9,664)**	**(2,645)**
Loss attributable to:			
Owners of the parent		(9,671)	(2,645)
Non-controlling interest		9	-
		(9,662)	**(2,645)**
Total comprehensive loss attributable to:			
Owners of the parent		(9,673)	(2,645)
Non-controlling interest		9	-
		(9,664)	**(2,645)**
Loss per share			
-basic and diluted	13	**(5.0p)**	**(2.0p)**

CONSOLIDATED AND COMPANY STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	Note	Consolidated			Company		
		31.12.2022	31.12.2021 (restated)	1.1.2021 (restated)	31.12.2022	31.12.2021 (restated)	1.1.2021 (restated)
		£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Non-current assets							
Property, plant, and equipment	14	2,387	3,932	4,144	-	-	
Intangible assets	16	1,057	1,231	1,516	917	1,173	1,450
Right of use assets	15	108	169	231	-	-	-
Amounts owed by subsidiaries	21	-	-	-	788	-	
Investments	17	83	1,113	-	9,661	10,838	6,025
Goodwill	18	738	884	896	-	-	-
Total non-current assets		**4,373**	**7,329**	**6,787**	**11,366**	**12,011**	**7,475**
Current assets							
Inventories	20	2,836	3,805	4,831	-	-	-
Trade and other receivables	21	860	512	404	307	1,330	1,460
Cash and cash equivalents	22	291	211	168	-	-	191
Total current assets		**3,987**	**4,528**	**5,403**	**307**	**1,330**	**1,651**
Total assets		**8,360**	**11,857**	**12,190**	**11,673**	**13,341**	**9,126**
Current liabilities							
Borrowings	23	511	477	615	63	56	167
Trade and other payables	24	5,389	2,636	2,364	3,050	753	1,037
Amounts payable to subsidiaries	24	-	-	-	22	217	-
Lease liabilities	26	72	66	60	-	-	-
Accruals and deferred income	24	1,236	1,415	1,346	775	579	568
Total current liabilities		**7,208**	**4,594**	**4,385**	**3,910**	**1,605**	**1,772**
Net current (liabilities)/assets		**(3,221)**	**(66)**	**1,019**	**(3,603)**	**(275)**	**(121)**

	Note	Consolidated 31.12.2022	Consolidated 31.12.2021 (restated)	Consolidated 1.1.2021 (restated)	Company 31.12.2022	Company 31.12.2021 (restated)	Company 1.1.2021 (restated)
Non-current liabilities							
Deferred tax	27	-	12	644	-	-	288
Borrowings	23	819	1,201	1,430	130	185	83
Amounts payable to subsidiaries	24	-	-	-	579	-	-
Lease liabilities	26	50	122	188	-	-	-
Total non-current liabilities		**869**	**1,335**	**2,262**	**709**	**185**	**371**
Net assets		**283**	**5,928**	**5,543**	**7,054**	**11,551**	**6,983**
Equity							
Share capital	28	6,509	5,682	5,165	6,509	5,682	5,165
Share premium	29	28,844	27,024	25,004	28,844	27,024	25,004
Other reserves	3	(10,419)	(11,337)	(11,377)	15,943	15,029	15,030
Capital redemption reserve		5,034	5,034	5,034	5,034	5,034	5,034
Share option and warrant reserve	31	311	515	496	311	515	496
Accumulated losses		(30,005)	(20,990)	(18,779)	(49,587)	(41,733)	(43,744)
Equity attributable to equity holders of the parent		**274**	**5,928**	**5,543**	**7,054**	**11,551**	**6,983**
Non-controlling interest		9	-	-	-	-	-
Total Equity		**283**	**5,928**	**5,543**	**7,054**	**11,551**	**6,983**

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 £8,462,000 (2021: £1,745,000 profit as restated).

The financial statements were approved and authorised for issue by the Board of Directors on 2 February 2024 and were signed on its behalf by:

David Ciclitira
Chairman
Company Registration No. 00630968

CONSOLIDATED AND COMPANY STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	Ordinary Share Capital	Share Premium	Reverse acquisition reserve	Forex reserve	Own shares reserve	Merger reserve	Capital Redemption reserve	Share option reserve	Non Controlling Interest	Retained Earnings	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Consolidated											
As at 31 December 2020 as restated	**5,165**	**25,004**	**(24,268)**	**572**	**(2,153)**	**14,472**	**5,034**	**496**	**-**	**(18,779)**	**5,543**
Total Comprehensive loss as restated	-	-	-	(2)	-	-	-	-	-	(2,645)	**(2,647)**
Shares issued for cash	414	1,486	-	-	-	-	-	-	-	-	**1,900**
Debt to share conversion	102	644	-	-	-	-	-	-	-	-	**747**
Own share reserves	-	-	-	-	41	-	-	-	-	-	**41**
Gain on sale of own shares	-	-	-	-	-	-	-	-	-	168	**168**
Warrant charge	-	-	-	-	-	-	-	63	-	-	**63**
Options charge	-	-	-	-	-	-	-	223	-	-	**223**
Lapsed and expired options and warrants	-	-	-	-	-	-	-	(266)	-	266	**-**
Share issue costs	-	(110)	-	-	-	-	-	-	-	-	**(110)**
At 31 December 2021 as restated	**5,682**	**27,024**	**(24,268)**	**570**	**(2,111)**	**14,472**	**5,034**	**515**	**-**	**(20,990)**	**5,928**

	Ordinary Share Capital	Share Premium	Reverse acquisition reserve	Forex reserve	Own shares reserve	Merger reserve	Capital Redemption reserve	Share option reserve	Non Controlling Interest	Retained Earnings	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Company											
As at 31 December 2020 as restated	**5,165**	**25,004**	**-**	**557**	**-**	**14,472**	**5,034**	**496**	**-**	**(43,744)**	**6,983**
Total Comprehensive income as restated	-	-	-	-	-	-	-	-	-	1,745	**1,745**
Shares issued for cash	414	1,486	-	-	-	-	-	-	-	-	**1,900**
Debt to share conversion	102	644	-	-	-	-	-	-	-	-	**747**
Warrant charge	-	-	-	-	-	-	-	63	-	-	**63**
Options charge	-	-	-	-	-	-	-	223	-	-	**223**
Lapsed and expired options and warrants	-	-	-	-	-	-	-	(266)	-	266	**-**
Share issue costs	-	(110)	-	-	-	-	-	-	-	-	**(110)**
At 31 December 2021 as restated	**5,682**	**27,024**	**-**	**557**	**-**	**14,472**	**5,034**	**515**	**-**	**(41,733)**	**11,551**

	Ordinary Share Capital	Share Premium	Reverse acquisition reserve	Forex reserve	Own shares reserve	Merger reserve	Capital Redemption reserve	Share option reserve	Non Controlling Interest	Retained Earnings	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Consolidated											
As at 31 December 2021	**5,682**	**27,024**	**(24,268)**	**570**	**(2,111)**	**14,472**	**5,034**	**515**	**-**	**(20,990)**	**5,928**
Total Comprehensive loss	-	-	-	(2)	-	-	-	-	9	(9,671)	**(9,664)**
Shares issued for cash	539	1,647	-	-	-	-	-	-	-	-	**2,186**
Shares issues as consideration for acquisition	183	-	-	-	-	914	-	-	-	-	**1,097**
Debt to share conversion	105	246	--	-	-	-	-	-	-	-	**351**
Own share reserves	-	-	-	-	6	-	-	-	-	-	**6**
Gain on sale of own shares	-	-	-	-	-	-	-	-	-	48	**48**
Warrant charge	-	-	-	-	-	-	-	77	-	-	**77**
Options charge	-	-	-	-	-	-	-	327	-	-	**327**
Lapsed and expired options and warrants	-	-	-	-	-	-	-	(608)	-	608	**-**
Share issue costs	-	(73)	-	-	-	-	-	-	-	-	**(73)**
At 31 December 2022	**6,509**	**28,844**	**(24,268)**	**568**	**(2,105)**	**15,386**	**5,034**	**311**	**9**	**(30,005)**	**283**

Live Company Group plc

CONSOLIDATED AND COMPANY STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	Ordinary Share Capital	Share Premium	Reverse acquisition reserve	Forex reserve	Own shares reserve	Merger reserve	Capital Redemption reserve	Share option reserve	Non Controlling Interest	Retained Earnings	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Company											
As at 31 December 2021	**5,682**	**27,024**	**-**	**557**	**-**	**14,472**	**5,034**	**515**	**-**	**(41,733)**	**11,551**
Total Comprehensive loss	-	-	-	-	-	-	-	-	-	(8,462)	**(8,462)**
Shares issued for cash	539	1,647	-	-	-	-	-	-	-	-	**2,186**
Shares issues as consideration for acquisition	183		-	-	-	914	-	-	-	-	**1,097**
Debt to share conversion	105	246	-	-	-	-	-	-	-	-	**351**
Warrant charge	-	-	-	-	-	-	-	77	-	-	**77**
Options charge	-	-	-	-	-	-	-	327	-	-	**327**
Lapsed and expired options and warrants	-	-	-	-	-	-	-	(608)	-	608	**-**
Share issue costs	-	(73)	-	-	-	-	-	-		-	**(73)**
At 31 December 2022	**6,509**	**28,844**	**-**	**557**	**-**	**15,386**	**5,034**	**311**	**-**	**(49,587)**	**7,054**

CONSOLIDATED AND COMPANY STATEMENTS OF CASHFLOW FOR THE YEAR ENDED 31 DECEMBER 2022

	Consolidated		Company	
	2022	2021 as restated	2022	2021 as restated
	£'000	£'000	£'000	£'000
Cash flows from operating activities				
Operating loss	(9,498)	(3,225)	(8,451)	1,464
Depreciation of PPE	851	801	-	-
Impairment of PPE	628	-	-	-
Amortisation of intangible assets	293	286	280	277
Impairment of investments	-	-	4,349	(3,700)
Share of loss from associates and joint ventures	30	-	30	-
Impairment of goodwill	4,070	12	-	-
Depreciation of right of use assets	62	62	-	-
Option and warrants charge	404	286	404	286
Loss on disposal of PPE	273	-	-	-
Corporation tax paid	(69)	55	-	-
Increase/(decrease) in inventories	(12)	1,026	-	-
Write down of inventories	981	-	-	-
(Increase)/decrease in receivables	(348)	(108)	235	130
Increase in payables	1,149	1,087	1,246	687
Cash generated from/(used in) operations	**(1,186)**	**282**	**(1,907)**	**(856)**
Cash flow from investing activities				
Acquisition of intangible fixed assets	(119)	(1)	(24)	-
Acquisition of subsidiaries net of cash acquired	(108)	-	-	-
Acquisition of investments	-	(1,113)	(120)	(1,113)
Acquisition of property, plant, and equipment	(209)	(589)	-	-
Net cash used in investing activities	**(436)**	**(1,703)**	**(144)**	**(1,113)**
Cash flow from financing activities				
Issue of shares	2,186	1,900	2,186	1,900
Repayment of lease liabilities (26.1)	(66)	(60)	-	-
Proceeds from sale of own shares	110	209	-	-
Proceeds from borrowings (23.1)	59	-	8	-
Loans repaid (23.1)	(407)	(367)	(57)	(9)
Interest paid	(107)	(108)	(13)	(3)
Share issue costs	(73)	(110)	(73)	(110)
Net cash generated from financing activities	**1,702**	**1,464**	**2,051**	**1,778**
Net cash inflow/(outflow)	**80**	**43**	**-**	**(191)**
Cash and cash equivalents at beginning of the year	**211**	**168**	**-**	**191**
Net increase/(decrease) in cash and cash equivalents	**80**	**43**	**-**	**(191)**
Cash and cash equivalents at end of the year	**291**	**211**	**-**	**-**

CORPORATE INFORMATION

1. Corporate Information

Live Company Group (LVCG) plc is a live events and entertainment group, limited by shares registered in England Wales. The company's registered number and registered office are disclosed on the information page of the financial statements.

The company's active subsidiaries Bright Bricks Limited, Brick Live Group Limited, Brick Live International Limited, Live Company Group EBT Limited, Start Art Global Limited, Start Art (2013) Limited, KPOP Lux Limited, 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. Basis of Preparation

These financial statements have been prepared on the historical cost basis where required and in accordance with International Financial Reporting Standards as adopted in the United Kingdom ("UK adopted IFRS"), and with those parts of the Companies Act 2006 applicable to companies reporting under UK adopted IFRS as at 31 December 2022.

The preparation of financial statements in conformity with UK adopted 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.

The functional currency of the parent Company is UK Pounds sterling ('GBP'). These consolidated financial statements are presented GBP, rounded to the nearest thousand which may lead to some rounding issue discrepancies.

2.1 Going Concern

These financial statements have been prepared on a going concern basis. The Consolidated Statement of Comprehensive Income shows a loss of £9,664,000 for the year ended 31 December 2022 (2021: £2,645,000 loss as restated). The Consolidated Statement of Financial Position shows net current liabilities of £3,221,000 (2021: £66,000 as restated).

After considering the monthly cash flow projections, and the facilities available to the Group and Company outlined within the directors report, the Directors have a reasonable expectation that the Group and Company will secure the additional £1.5m loan facility and £500k placing agreement, described in the Chairman's statement on page 8, enabling them to meet their existing obligations with the added support of the guarantee from the majority shareholder to 31 January 2025. Accordingly, and having reassessed the principal risks and uncertainties, the Directors considered it appropriate to adopt the going concern basis in preparing the Group and Company financial statements. However there remains a material uncertainty related to events or conditions, that may cast significant doubt on the Group's and Company's ability to continue as a going concern. This is due to the Group's current and recent trading performance and the remaining uncertainty relating to the proposed loan of £1,500,000 from the new cornerstone investor and £500,000 placing agreement disclosed within the Chairman's statement on page 8.

2.2 Adoption of standards effective in 2022

The following new and revised Standards and Interpretations have been issued and are effective for the current financial period of the Company but had no impact on the results or net assets:

- COVID-19 Related Rent Concessions (Amendment to IFRS 16).

2.3 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. The Company intends to adopt these Standards and Interpretations when they become effective, rather than adopt them early.

The following amendments are effective for the period beginning 1 January 2023:

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2);
- Definition of Accounting Estimates (Amendments to IAS 8); and
- Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12).
- Supplier Finance Arrangements - Amendments to IAS7 and IFRS 7

The following amendments are effective for the period beginning 1 January 2024;

- IFRS 16 Leases (Amendment - Liability in a sale and leaseback);
- IAS 1 Presentation of Financial Statements (Amendment - Classification of Liabilities as Current or Non-Current); and
- IAS 1 Presentation of Financial Statements (Amendment – Non-Current liabilities and covenants).

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.

3. Significant Accounting Policies

3.1. Basis of Consolidation

An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. In such situations the investee company is a subsidiary undertaking.

The consolidated financial statements incorporate the financial statements of Live Company Group ("LVCG") the company and entities controlled by the company and its subsidiaries.

- Brick Live Group Limited ('Brick Live Group'), Parallel Live Group Limited ('Parallel Live Group'), Bright Bricks Limited ('Bright Bricks Group'), Live Company Sports and Entertainment Limited ('LCSE'), E Movement Holdings Ltd ('EMHL'), Start Art Global Limited ('StART.Art'), KPop Lux Limited ('KPL'), Live Company Group EBT Limited ('EBT') and their subsidiary companies for the year ended 31 December 2022.
- The Group's financial statements consolidate those of the parent company and all of its subsidiaries at 31 December 2022. All subsidiaries have a reporting date of 31 December.
- All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

Business combinations

The information contained in this note sets out how the Group typically accounts for Business Combinations, which is effectively using the acquisition method explained in IFRS 3, 'Business Combinations'.

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

If the Group acquires a controlling interest in a business in which it previously held an equity interest, that equity interest is remeasured to fair value at the acquisition date with any resulting gain or loss recognised in profit or loss or other comprehensive income, as appropriate.

Consideration transferred as part of a business combination does not include amounts related to the settlement of pre-existing relationships. The gain or loss on the settlement of any pre-existing relationship is recognised in profit or loss.

Assets acquired and liabilities assumed are measured at their acquisition-date fair values.

Management uses various valuation techniques when determining the fair values of certain assets and liabilities acquired in a business combination. In particular, the fair value of contingent consideration is dependent on the outcome of many variables including the acquirees' future profitability.

Start Art Global Limited ('StART.Art')

Following the acquisition of the remaining 80.06% of StART.Art in July 2022, the results of StART.Art have been consolidated in accordance with IFRS3.

Goodwill

Goodwill is recorded as an intangible asset and is the surplus of the cost of acquisition over the fair value of identifiable net assets acquired.

Goodwill acquired in a business combination is, from the acquisition date, allocated to either an acquired or existing cash generating unit ('CGU'), being the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Significant judgement is required in identifying a group of assets that comprise a CGU and in allocating goodwill acquired in a business combination to the CGU expected to benefit from the combination, which may differ from the CGU to which the assets and liabilities of the acquiree are allocated.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that the unit may be impaired, by comparing the carrying amount of the unit, including the goodwill, with the recoverable amount of the unit.

Where the carrying amount goodwill allocated to a CGU exceeds its recoverable amount, the asset, or CGU, is considered impaired and is written down to its recoverable amount, with the impairment charged to the Statement of Profit or Loss and Other Comprehensive Income. A goodwill impairment charge is never reversed in future periods.

The Group bases its impairment calculation on detailed budgets and forecasts, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecasts generally cover the forecasted life of the CGUs. Sensitivity analysis was also used to stress test these budgets and forecasts under certain downside scenarios to ensure that sufficient headroom would remain.

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.

Formal impairment reviews were completed at 31 December 2021 and 31 December 2022 given the indicators of impairment existing at both dates.

3.2. Intangible assets

Externally acquired intangible assets are initially recognised at their cost. Intangible assets recognised in a business combination are recognised initially at fair value which becomes their subsequent cost for the purposes of amortisation and impairment.

The carrying amount of the Group's intangible assets is their cost less accumulated amortisation and impairment. Amortisation commences when the intangible asset is ready for its intended use, and amortisation ceases on the earlier of the intangible asset being classified as held for sale, or on its disposal.

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.

Contracts acquired and novated to LCSE, as described in note 16, are amortised over the period of the rights acquired, being the period over which control over the legal rights exists, including any additional periods. where the Group has the unconditional option to extend such agreements and it expects to do so.

The value of the online platform acquired as part of the StART.Art Group acquisition, is initially measured at its fair value at the acquisition date. The fair value is determined based on independent valuations and market considerations, taking into account the specific attributes and potential future benefits of the online platform. After initial recognition, the online platform is measured at cost less accumulated amortisation and any accumulated impairment losses. The online platform is amortised on a systematic basis over its estimated useful life of 10 years.

Impairment testing on intangible assets is performed annually or whenever there is an indication that their carrying amounts may not be recoverable.

3.3. 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.

Under the equity method the Group's share of post-acquisition profits and losses and other comprehensive income is recognised in the consolidated statement of profit and loss and other comprehensive income."

Where the Group's share of losses exceeds the carrying amount of the investment then the carrying amount of the investment is zero and the Group ceases to recognise losses unless there is a legal or constructive obligation for such losses or the Group has made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

3.4. Investments

In the parent company's financial statements investments in subsidiaries, associates and joint ventures are accounted for at cost less accumulated impairment.

Investments in the equity shares of companies that are not subsidiaries, associates or joint ventures are included at fair value through profit or loss under IFRS 9 using a valuation technique 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.

3.5. Property, plant, and equipment

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the Statement of Comprehensive Income during the financial year in which they are incurred.

Depreciation is charged so as to write off the cost of assets over their useful economic lives/using the straight-line method, which is considered to be as follows:

Fixtures, fittings and office equipment – 5 years
Content assets – 8 years
Platform – 10 years

The assets' residual values and useful lives are reviewed, and, if appropriate, asset values are written down to their estimated recoverable amounts, at each Statement of Financial Position date.

Gains and losses on disposals are determined by comparing proceeds with the carrying amounts and are included in the Statement of Comprehensive Income.

Transfers of content from inventory to property, plant and equipment are transferred at the lower of cost and net realisable value and are subsequently carried at such deemed cost less accumulated depreciation and impairment.

Content assets are 'show content assets' and comprise the brick models that are rented out for tours and shows. Depreciation is provided on content assets 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 is provided on other fixtures, fittings and office equipment over five years on a straight-line basis. Residual values, remaining useful lives and depreciation methods are reviewed annually and adjusted if appropriate.

3.6. Leases

In accordance with IFRS 16, 'Leases' a right of use asset, being the present value of the 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 were calculated using a discount rate of 9% which the Directors consider to be appropriate, based on the Group's current borrowing structure.

At the inception of a contract, the company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The assessment involves evaluating if:

a) The contract involves the use of an identified asset,

b) The company has the right to obtain substantially all the economic benefits from the use of the asset throughout the period, and

c) The company has the right to direct the use of the asset.

Upon lease commencement, the company recognizes a right-of-use asset and a corresponding lease liability. The right-of-use asset is measured at cost, which includes:

a) The amount of the initial measurement of the lease liability,

b) Any lease payments made at or before the commencement date, less any lease incentives received,

c) Any initial direct costs incurred, and

d) Restoration costs for any obligations to restore the leased asset to its original condition.

Lease liabilities are initially measured at the present value of the future lease payments. These future lease payments are discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments typically include:

a) Fixed payments, including in-substance fixed payments,

b) Variable lease payments linked to an index or rate,

c) The exercise price of any purchase options that the company is reasonably certain to exercise,

d) Payments for penalties for terminating the lease, if the lease term reflects the company exercising such options, and

e) Any residual value guarantees.

After the commencement date, the right-of-use asset is measured using a cost model and depreciated on a straight-line basis over the shorter of the asset's useful life or the lease term. The asset is also adjusted for any re-measurements of the lease liability and is reduced by any impairment losses.

The lease liability is measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect lease payments made, and re-measuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised fixed lease payments.

The right-of-use asset is derecognized at the end of the lease term or when the asset is transferred, and the company has transferred substantially all the risks and rewards of ownership. The lease liability is derecognized when the lease liability is paid or settled.

Any gains or losses arising from the termination of a lease are recognized in the statement of profit or loss at the date of termination. The depreciation of the assets and interest charge are recognised in the profit and loss in the year and the buildings maturity analysis of lease liabilities at 31 December 2022 is detailed in Note 26.

3.7. 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. Whenever there is an indication of impairment, the company conducts an impairment test; this involves determining the recoverable amount of the asset and comparing it to its carrying amount. If the recoverable amount is less than the carrying amount, then the asset is considered impaired and written down to its recoverable amount.

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 profit or loss.

Where there is an indication that previously recognised impairment losses may no longer exist or may have decreased the previously recognised impairment loss is reversed. The reversal is limited so that the carrying value of the asset or its cash-generating unit does not exceed either its recoverable amount, or the carrying amount that would have been determined, net of depreciation/amortisation, had no impairment loss been recognised in prior years. Such a reversal is recognised in the Statement of Comprehensive Income.

3.8. 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 the Bright Bricks Group in October 2018 as detailed in Note 20.

3.9. 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.

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.

3.10. Share based payments

The Company issues equity settled share-based payment transactions to certain employees and service providers. Equity settled share-based payment transactions with employees 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.

Equity settled share-based payment transactions with service providers are measured at the fair value of the goods or services received, except where the fair value cannot be reliably estimated, in which case they are measured at the fair value of the equity instrument granted, measured at the date the entity obtains the goods or the counterparty renders the service.

3.11. Trade and other receivables

Trade and other receivables are measured at transaction price which approximates fair value. The company makes use of a simplified approach in accounting for expected losses on trade and other receivables and records the loss allowance as lifetime expected credit losses. The Company makes use of a provision matrix in applying the simplified approach. In calculations, the company uses its historical experience, external indicators and forward looking information to calculate the expected credit losses.

3.12. Cash and cash equivalents

Cash equivalents comprise short-term, highly liquid investments that are readily convertible into known amounts of cash in a period of no greater than three months from inception date and which are subject to an insignificant risk of changes in value.

3.13. Trade and other payables

Trade and other payables are considered to be the same as their fair values, due to short term nature.

3.14. 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.

3.15. 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 “over time” versus “point in time”

Revenue recognised over time:

i. Annual licence fees – recognised on a straight-line basis over the term of the agreement. If it is non-refundable, fees are recognised on the contractual invoice date.
ii. Brick lease fees – on a straight-line basis in accordance with the terms of the agreement.

Point in time:

iii. Event licence fees and revenue shares – in accordance with the specific terms of the agreement; depending on those terms, it could be when the event takes place or when certain milestones are reached.
iv. Content fees – on delivery of the specific content to the client in accordance with the terms of the agreement.
v. Tour and show rental fees – recognised based on the terms of the agreement, which could be upon the start of the tour, show or another specific event or milestone.
vi. Ticket sales from self-promoted events – on the date of the event; and

vii. Sales of products - Revenue is recognised based on the contractual terms, typically when control of the products is transferred to the customer, which might be upon shipment, delivery, or another specified event.

Entry as Principal vs. Agent

The determination of whether the entity is acting as a principal or an agent depends on if the entity controls the specified good or service before transferring it to the customer.

Principal: Recognises revenue in the gross amount.

Agent: Recognises revenue in the amount of any commission or fee earned.

The exact determination for each revenue stream (like event licence fees, tour/show rental fees, etc.) would depend on the specific terms of the contract and the actual control exerted by the entity over the goods or services.

Contract assets and liabilities

The customer pays the contractual (fixed) amount based on a payment schedule.
Contracts delivered at a point in time are invoiced in advance and the payments received before the Group transfers the related goods or services are recorded in contract liabilities in the statement of financial position at the year-end. Contract liabilities are recognised as revenue when the Group fulfils its performance obligation under the contract (i.e., transfers control of the related goods or services to the customer.

3.16. Taxation

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income except to the extent that it relates to items recognised directly in equity in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or enacted at the reporting date, and any adjustment to tax payable in respect of previous periods.

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.

3.17. Segmental reporting

The Group has four main operating segments, namely: BRICKLIVE, StART.Art, Sports and Entertainment, and KPOP. In identifying these operating segments, management generally follows the Group's service lines representing its main products and services (see Note 5).

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.

3.18. Foreign currencies

Transactions in foreign currencies are translated to the respective functional currency of the legal entities (subsidiaries) at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the Statement of Comprehensive Income.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined which is the Foreign Currency Translation reserve.

3.19. Exceptional items

Exceptional items are those costs incurred by the Group, or related groups of 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 in the year.

3.20. Government grants and assistance

Government grants and assistance are recognised in the related expense line in the consolidated statement of comprehensive income on a systematic basis over the period in which the entity recognises the expense, for which the grant is intended to compensate. In the Consolidated Statement of Profit or Loss Income from grants is presented net of the related expenditure.

Therefore, grants in recognition of specific expenses are recognised in the related expense line in the same period.

In 2021 the Group made use of the Coronavirus Job Retention Scheme receiving a total of £185,000 and £nil in 2022.

3.21. Reserves

Reverse acquisition reserve
The reverse acquisition reserve of £24,268,000 (2021: 24,268,000) arose in December 2017 with the acquisition of 100% of the issued share capital of Brick Live Group, 100% of the issued share capital of Parallel Live Group and the remaining 61.1% of Brick Live Far East Limited not already owned indirectly by the Group via Brick Live International Limited, The transaction was treated as a reverse acquisition on a consolidated bases with Brick Live Group Limited considered to be the acquirer for the purposes of the consolidated financial statements with the cumulative acquisition adjustment to adjust comparatives to a consistent basis in the consolidated financial statements treated as a reverse acquisition reserve.

Foreign Currency Translation reserve
The forex reserve of £568,000 (2021: 570,000) comprises all foreign currency differences arising from translation of the financial position and performance of certain subsidiaries, whose functional currency differs to the Group's presentation currency of GBP.

Own shares reserve
The own share reserve of £2,105,000 (2021: 2,111,000) arose in August 2020 on the termination of the previous Equity Share Arrangement ('ESA') with YA II PN Limited ('YA II') and RiverFort Global Opportunities PCC Limited ('RiverFort') and the creation of the Employee Benefit Trust ('EBT').

On termination of the ESA the Group paid an early termination fee of £143,000 and the EBT purchased 5,726,480 shares previously held by YA II and RiverFort (representing 6.51%. of the Company's issued share capital at the time) into trust, at a cost of £57,000, representing their par value.

These payments together with the Group's expected £1,953,000 share of the ESA Payment at the time of the agreement) which following the termination was no longer receivable were considered part of the consideration for the share purchase at a group level and included in Own share reserves. Movement on the reserve reflects changes in the number of shares held by the EBT during the year.

Merger reserve
The merger reserve of £15,386,000 (2021: £14,472,000) comprises:

- £4,833,333, being the premium recognised on the issue of 16,666,666 new ordinary shares with a nominal value of 1p and a price of 30p in consideration for the entire issued share capital of Brick Live Group Limited in December 2017;
- £966,666, being the premium recognised on the issue of 3,333,3334 new ordinary shares with a nominal value of 1p and a price of 30p in consideration for the entire issued share capital of Parallel Live Group Limited in December 2017;
- £2,851,297, being the premium recognised on the issue of 9,832,060 new ordinary shares with a nominal value of 1p and a price of 30p in consideration for the remaining 61.1% of the issued share capital of Brick Live Far East Limited not already owned indirectly by the Company through Brick Live International Limited in December 2017;
- £5,415,385, being the premium recognised on the issue of 8,461,536 new ordinary shares with a nominal value of 1p and a price of 65p in partial consideration for the entire issued share capital of Bright Bricks Holdings Limited in October 2018; and

- £405,000, being the premium recognised on the issue of 941.860 new ordinary shares with a nominal value of 1p and a price of 44p in partial consideration for the entire issued share capital of Bright Bricks Holdings Limited in November 2019.
- £914,215, being the premium recognised on the issue of 182,850 new ordinary shares with a nominal value of 1p and a price of 6p in partial consideration for the acquisition of StART.Art

Capital Redemption Reserve
The capital redemption reserve of £5,034,000 (2021: £5,034,000) comprises the cumulative effect of previous reorganisations in the capital of the Group and represents the value of shares redeemed from retained earnings.

Share option reserve
The share option and warrant reserve of £311,000 (2021: £515,000) is attributable to the accumulated charge relating to share options and warrants issued by the Group which is recognised over the vesting period of the share option or warrant. This is partially offset by the accumulated charge relating to lapsed share options and warrants, which is transferred to retained earnings.

4. Accounting estimates and judgements

The preparation of these consolidated financial statements in accordance with generally accepted accounting principles, being UK adopted IFRS, 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

Goodwill Impairment
Goodwill arises on the acquisition of subsidiaries, associates, or joint ventures and represents the excess of the cost of acquisition over the fair value of the net identifiable assets acquired. Goodwill is not amortised but is tested annually for impairment or more frequently if events indicate that it may be impaired.

The recoverable amount of a cash-generating unit (CGU) to which goodwill has been allocated is determined based on value-in-use calculations. These calculations require the use of estimates, such as future cash flows expected to be derived from the asset, discount rates reflecting the risks specific to the asset, and growth rates.

Key Assumptions and Sensitivities:

Discount Rate: The rate reflects the current market assessment of the risks specific to the CGU. Any change in the discount rate can materially affect the impairment calculations. The Directors have considered the increased risk profile of the Group based on its trading performance during 2022, current forecasts and wider economic conditions and have assessed the Group's marginal cost of capital has increased to 15% (2021: 9%).

Growth Rate: The expected future cash flows may involve assumptions about economic growth rates. A significant reduction in growth rates could indicate potential impairment.

External Market Indicators: Factors like industry trends, market capitalization, economic trends, and other external market indicators are considered when assessing impairment.

Sensitivity analysis: The impairment model was assessed for accuracy based on historical trading performance and a range of alternative scenarios considered.

Investments Impairment
Investments are assessed at each reporting date to determine whether there is any indication of impairment. An impairment loss is recognized when the carrying amount exceeds the recoverable amount.

Determining the recoverable amount involves significant judgement. For equity investments, factors such as significant or prolonged decline in fair value below cost, adverse changes in the technological, market, economic, or legal environment, and evidence of financial distress in the investee may suggest impairment. For debt securities, indicators such as breaches of contract, non-payment of interest or principal, or deterioration in creditworthiness of the issuer are considered.

Key Assumptions and Sensitivities:

Discount Rate: The rate reflects the current market assessment of the risks specific to the asset. Any change in the discount rate can materially affect the impairment calculations. The Directors have considered the increased risk profile of the Group based on its trading performance during 2022, current forecasts and wider economic conditions and have assessed the Group’s marginal cost of capital has increased to 20% (2021: 9%).

Growth Rate: The expected future cash flows may involve assumptions about economic growth rates. A significant reduction in growth rates could indicate potential impairment.

External Market Indicators: Factors like industry trends, market capitalization, economic trends, and other external market indicators are considered when assessing impairment.

Sensitivity analysis: The impairment model was assessed for accuracy based on historical trading performance and a range of alternative scenarios considered.

Management uses all available information to make informed judgements on the potential impairment of goodwill and investments. Given the inherent uncertainties in estimating future cash flows and changes in market conditions, actual outcomes may vary, possibly leading to significant adjustments to the carrying amounts of goodwill and investments in future periods.

The Directors have carried out impairment reviews of the Group’s intangible assets, goodwill, investments and the share of net assets of associates as detailed in Notes 16, 17, 18 and 19.

Forecast sales growth rates.
Forecast sales growth rates are based on past experience adjusted for the strategic direction and near-term investment priorities within each CGU.

Key assumptions for the evaluation of impairment include growth / contraction in 'tours' growth (the business operations of Brick Live); Events movements (Start Art). For both entities that have been considered for impairment, the five-year sales forecasts use the following growth rates:

Brick Live
'-Growth Rates in sales between 8% and 88% (Median evaluation at 38%)
'-No adjustment for international markets as all tours forecast in UK
'-Cost of sales reduction proportionate with Growth Rates
'-Headcount Reduction static within restructure 2023

Start Art
'-Growth Rates in sales between baseline 0% to initial revenues at £200k-£640k range
'-Revenues reflect embryonic business status projection
'-Cost of sales 70% fixed assuming margin of 30% split 50:50

Operating profits (Brick Live & Start Art)

Operating profits are forecast based on historical experience of operating margins (in the example of Brick Live; Start art is embryonic business start up), adjusted for the impact of changes to product costs and cost-saving initiatives (in the example of Brick Live), including the impact of the implementation of our cost efficiency programme. Cash conversion is the ratio of operating cash flow to operating profit. Management forecasts cash conversion rates based on historical experience in the instance of Brick Live. Management forecasts for Start Art are on the basis of researched forecasts and market intelligence.

Sensitivity analysis - Brick Live
The Directors performed sensitivity analysis on the estimates of recoverable amounts and found that the excess of recoverable amount over the carrying amount of £782,000 of the CGUs would be reduced by £190,000 as a result of a reasonably possible change in the key assumption of sales growth in the cash flow forecasts. (Projections reduced to 40% growth - evidenced in new contracts signed January 2024)

The Directors do not consider that the relevant change in this assumption would have a consequential effect on other key assumptions. The excess of the £9,622,000 CGU's recoverable amount over its carrying value is £782,000. The value assigned to the sales growth assumption is 34% (average rate) in years 1-3 of the forecast period and 4.5% in years 4-5 (reflecting stablisation of market).

S**ensitivity analysis - Start Art**
The Directors performed sensitivity analysis on the estimates of recoverable amounts and found that the recoverable amount which was lower than the carrying amount of the CGU by £1,691,000 would be reduced to £964,000 (adjusted within the financial statements) as a result of a reasonably possible change in the key assumption of sales growth in the cash flow forecasts between 6% and 9% Discount Factor.

The Directors do not consider that the relevant change in this assumption would have a consequential effect on other key assumptions. The shortfall of £, recoverable amount over its carrying value is £2,960,000. The value assigned to the sales growth assumption is set target revenue of £640,000 by the end of the 3rd year in the forecast period and 3% in years 4-5.

For the group of CGUs, whilst the Directors do not consider that any reasonably possible changes to the key assumptions would reduce the recoverable amount to the carrying value of Brick live, the carrying value of Start Art as adjusted within the financial statements has been impaired to its original fair value upon acquisition as an associate.

Range of possible outcomes

A change in the market (including pandemics such as COVID-19) could result in further impairments (or reversals of the existing impairment charge) of assets in the consumer and entertaining segment for either entities.

For the Brick Live the following reasonably possible changes in assumptions upon which the recoverable amount was estimated, would lead to the following changes in the net present value of the Retail CGU:

Change in assumption	Decrease in the value in use of Retail CGU
Static Sales from 2023 Actual (DCF 20%)	(3,064)
Increase in discount rate by 10% (On assumed model)	(3,705)
Decrease in long term growth rate by 2%	(357,00)

For the Start Art entity, the assumptions are based upon forecasts from a starting point of a new business (with goodwill). Therefore, the DCF analysis has been projected on the 50:50 shared profit assumption which does not show a greater amount to that which has been impaired (DCF Ranges from 6% to 10%)

Depreciation and amortisation
Depreciation rates have been set to accurately reflect the reduction in value of property, plant and equipment assets over their estimated useful lives, less their expected residual value. This requires judgement by the Directors, who have set the depreciation rates as detailed in Note 3.5 to these consolidated financial statements based on their knowledge of the industry and typically how long each asset type retains its value.

Amortisation rates have been set to reflect the reduction in value of intangible assets over their estimated useful lives, less their expected residual value. This requires judgement by the Directors, who have set the amortisation rates as detailed in Note 3.2 to these consolidated financial statements based on their knowledge of the industry and typically how long each asset type retains its value.

Revenue recognition with customers
Revenue from contracts with customers 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 3.15 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 judgement is therefore involved in the calculation of the charge.

Share-based payments
Employees of the Group receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments, known as equity settled transactions. The Group records compensation expense for all share-based compensation awards based on the grant date fair value over the requisite service period of the award. The fair value determined on the grant date is expensed on a straight-line basis over the term of the grant. A corresponding adjustment is made to equity.

When the terms and conditions of equity settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms is determined. Any excess of the modified fair value is recognised over the remaining vesting period in addition to the original grant date fair value. The share-based payment is not adjusted if the modified fair value is less than the original grant date fair value. Cancellations or settlements, including those resulting from employee redundancies, are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately. The Company estimates the fair value of stock options granted using the Option pricing formula.

Warrants
The Company has issued warrants as part of a financing transactions. The warrants have been treated as a separate derivative instrument accounted for under IAS 32/ IFRS 9 and therefore they shall be assessed against the 'fixed for fixed' criterion for classification as an equity or liability instrument.

The number of warrant shares to be issued is dependent on the warrant amount and the warrant subscription price. The warrant amount is fixed as the Note Holders can subscribe up to a maximum amount. However, the Warrant Subscription Price is variable. As this input is variable the number of Warrant Shares to be issued is variable. Therefore, the Company is not exchanging a fixed amount of cash or another financial asset for a fixed number of its own equity instruments and therefore the 'fixed for fixed' test is failed, and the derivative does not meet the equity definition and is therefore disclosed as a derivative liability. The warrants are measured at fair value at their inception and subsequently with fair value changes passing through the Profit and Loss.

Carrying value of inventory
The Directors have carried out impairment reviews of the Group's inventory as detailed in Note 20. Inventory is not readily replaceable and has a long economic life, a significant element of judgement is therefore involved in assessing it for impairment. Inventory consists of loose LEGO bricks (62k LEGO sets and balance is loose bricks) which are used to create the content pieces.

Carrying value of content assets
The Directors have carried out impairment reviews of the Group's content assets as detailed in Note 14. Content assets are unique and have a long economic life, a significant element of judgement is therefore involved in assessing them for impairment.

Expected credit losses
The company makes use of a simplified approach in accounting for expected losses on trade and other receivables and records the loss allowance as lifetime expected credit losses as detailed in Note 22. The Company makes use of a provision matrix in applying the simplified approach. A significant element of judgement is therefore involved to calculate the expected credit losses based on in calculations, the company's historical experience, external indicators and forward-looking information.

Accounting treatment of investments, and acquisition
The Company has an interest, both directly and indirectly, in a number of entities over which it exerts a varying degree of control or influence. The accounting treatment of business combinations in accordance with IFRS 3, and also consolidation of subsidiaries under IFRS 10 and treatment of associates under IAS 28 requires a significant element of judgement in assessing the extent to which the acquired entity represents a business combination or acquisition of assets and the extent to which it is controlled or influenced by the Group.

E-Movement (PTY) Limited ('EMPL')
In November 2021 the Company purchased 271 ordinary shares, representing 20% of the total issued share capital, in E Movement (PTY) Limited ('EMPL') from David Ciclitira for a total consideration of £113,460. These shares were originally purchased by David Ciclitira (acting in his personal capacity) for the same amount in anticipation of them being transferred to the Company. EMPL is the South African based promoter of the Cape Town E Prix which has been confirmed for Series 9 of the ABB FIA Formula E World Championship which took place in February 2023. In October 2022 issued a further 475 ordinary shares to a new investor reducing the Company's holding to 14.8%.

The Directors reviewed the investment and concluded LVCG continued to exercise significant influence over EMPL despite its shareholding falling below 20%, noting that:

- David Ciclitira is a Director of both LVCG and EMPL;
- No one other shareholder controls more than 50% of the voting rights of EMPL; and
- LVCG, through its 100% holding in EMHL, which has a contractual relationship with EMPL relating to the Cape Town E Prix, has a strategic interest if EMPL beyond an equity investment.

5. Segment reporting

The Directors have identified the Group's business segments by reference to the principal product and service lines offered and geographical organisation of the business as reported to the Executive Chairman, identified by the Directors as the chief operating decision-maker (CODM).

Reportable segments

The reportable segment results for the year ended 31 December 2022 are as follows:

	BRICKLIVE Models and Sets	BRICKLIVE Tours and Trails	Sports and Entertain ment	StART. ART	K-Pop	Unallocated	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Revenue	413	1,604	1,123	657	977	-	4,774
Cost of sales	331	1,259	707	475	648	-	3,420
Administrative expenses	348	1,255	343	82	311	1,358	3,697
Amortisation and depreciation	46	992	2	5	2	161	1,208
Impairment	981	1,512	30	3,186	-	-	5,709
Finance costs	-	-	-	-	-	107	107
Exceptional items (note 7)	-	-	-	-	-	238	283
Taxation	-	-	-	-	-	57	57
Non controlling interest	-	-	-	-	9	-	9
Segment (loss)/profit for the year	**(1,293)**	**(3,414)**	**41**	**(3,091)**	**7**	**(1,921)**	**(9,671)**

The reportable segment results for the year ended 31 December 2021 as restated were as follows:

	BRICKLIVE Models and Sets	BRICKLIVE Tours and Trails	Sports and Entertainment	Unallocated	Total
	£'000	£'000	£'000	£'000	£'000
Revenue	578	1,247	849	-	2,674
Cost of sales	436	895	506	-	1,837
Administrative expenses	469	1,057	310	698	2,534
Amortisation depreciation	84	936	1	126	1,147
Finance costs	-	-	-	108	108
Exceptional items (note 7)	-	-	-	381	381
Taxation	**-**	**-**	**-**	(688)	(688)
Segment (loss)/profit for the year	**(411)**	**(1,641)**	**32**	**(625)**	**(2,645)**

Content depreciation is included with amortisation and depreciation in this note 5 but in cost of sales in the Consolidated Statement of Comprehensive Income on page 43.

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

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 and financial assets held at fair value through profit or loss. 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 2022 are as follows:

	BRICKLIVE Models and Sets	BRICKLIVE Tours and Trails	Sports and Entertainment	StART.Art	K-Pop	Unallocated	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Assets	-	4,506	751	1,995	1	1,107	**8,360**
Liabilities	-	7,181	674	206	16	-	**8,077**

Segment assets and liabilities as at 31 December 2021 as restated were as follows:

	BRICKLIVE Models and Sets	BRICKLIVE Tours and Trails	Sports and Entertainment	Unallocated	Total
	£'000	£'000	£'000	£'000	£'000
Assets	-	10,415	343	1,098	**11,857**
Liabilities	-	5,323	313	293	**5,929**

Geographical information

The Group's business segments operated in five 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.

	2022 £'000	2021 £'000
Revenue		
United Kingdom	2,015	999
Europe	94	321
USA	-	314
Asia	3	147
South Africa	2,662	893
	4,774	**2,674**

	2022 £'000	2021 £'000
Non-current assets		
United Kingdom	4,370	5,605
Europe	-	270
USA	-	668
South America	-	-
Asia	-	786
South Africa	3	-
	4,373	**7,329**

Major customers

Included within BRICKLIVE Tours and Trails are revenues of £202,000 (2021: £128,000) which arose from sales to the Group's largest customer.

6. Operating loss before exceptional items

	2022 £'000	2021 £'000
This is stated after charging:		
Content asset depreciation (included within cost of sales)	853	755
Impairment of content assets (included within cost of sales)	626	-
Loss on disposal of content assets (included within cost of sales)	273	-
Impairment of goodwill (included within administrative expenses)	4,074	12
Write down of inventories (included within administrative expenses)	981	-
Other depreciation and amortisation (included within administrative expenses)	293	274
Inventories recognised as an expense	222	637
Depreciation on right of use assets	62	62
Net foreign exchange losses	24	-

7. Exceptional items

The exceptional items consist of the following:

	2022 £'000	2021 as restated £'000
Share options and warrants charge	195	286
Transactional and reorganisational costs	43	66
Provision for VAT	-	17
Impairment of associate and intangible assets	-	12
	238	**381**

2022 Exceptional items

Share option and warrant charge

Ongoing charges related to options and warrants issued in connection to previous transactional and re-organisational events, the costs of which were treated as exceptional items at the time, continue to be classified as exceptional items in the year they are recognised.

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 £195,000 which may increase or decrease with changes to these rates.

Transactional and re-organisational costs

Transactional costs relate to equity raises completed during the year as detailed in Note 28 and the ongoing guarantee fees relating to the HP Agreement entered into with Close Leasing Ltd. in August 2020 as detailed in Note 23.

Provision for VAT

The Group is currently reviewing the way VAT is accounted on certain transactions in the period prior to February 2021 which could result in a one-off charge of £243,000, this has resulted in an exceptional charge of £nil, (2021: £17,000 as restated) and a restatement of the current liabilities as previously reported in the Consolidated Statement of Financial Position at 31 December 2021 and 2020 as detailed in note 36.

8. Auditor's remuneration

	2022 £'000	2021 £'000
Fees payable	268	81
Taxation compliance	-	8
	268	**89**

Fees payable to the new auditor, MHA, for the audit of the annual accounts of the Group and the Company in 2022 and to Moore Kingston Smith, in 2021.

9. Employees

The average number of employees for the Group (including Directors not under employment contracts) during the year was:

	2022 No.	2021 No.
Administration	9	5
Production	14	28
Sales	2	2
	25	**35**

The aggregate payroll costs for the Group (excluding Directors not under employment contracts) were:

	2022 £'000	2021 £'000
Wages, salaries and fees	711	1,448
Social security costs	52	77
Pension costs	8	13
	771	**1,538**

Wages, salaries and fees are stated in this note 9 gross of amounts received in accordance with the Coronavirus Job Retention Scheme £Nil (2021: £185,000) which is netted off in the Consolidated Statement of Comprehensive Income on page 43. Defined pension contribution plans -A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the Statement of Comprehensive Income in the periods during which services are rendered by employees.

The costs of short-term employee benefits are recognised as a liability and an expense.
Termination benefits are recognised immediately as an expense when the Group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

The Company has no employees other than Directors, whose Employment costs are disclosed in note 10.

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 2022 was, in aggregate, £424,000 (2021: £451,000).

Directors' remuneration and fees, including Non-Executive Directors, during the year were as follows, (no pension contributions were made in either 2022 or 2021):

	2022 £'000	2021 £'000
David Ciclitira	275	261
Bryan Lawrie	33	17
Maria Serena Papi	20	20
Ranjit Murugason	50	107
Stephen Birrell (appointed 27 July 2021)	46	27
Trudy Norris-Grey (resigned 14 February 2021)	-	15
Simon Horgan (resigned 17 February 2021)	-	2
Mark Freebairn (resigned 14 February 2021)	-	2
	424	**451**

David Ciclitira	2022 £'000	2021 £'000
UK Chairman's fees*	25	-
International consultancy fees	250	250
Additional contracted work during the year	-	11
	275	**261**

*In 2021 David Ciclitira voluntarily waived his Chairman's fees.

Bryan Lawrie

	2022 £'000	2021 £'000
Consultancy Fees	9	-
Non-Executive fees	24	17
	33	**17**

Fees for the services of Bryan Lawrie as Chief Financial Officer were paid to CFO Partners Limited.

Ranjit Murugason

	2022 £'000	2021 £'000
Consultancy Fees	-	67
Non-Executive fees	50	40
	50	**107**

Stephen Birrell

	2022 £'000	2021 £'000
Consultancy fees	13	15
Non-Executive fees	33	12
	46	**27**

Fees for consultancy services provided by Stephen Birrell were paid to Ossian Energy Limited.

In April 2019 the Group adopted a share option scheme 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.

In April 2022 a total of 4,669,000 new options were granted to certain Directors, employees and contractors with an exercise price of 5p per option, all other options were forfeited as a condition of grant of the new options.

As at 31 December 2022 the following outstanding share options were held by Directors and key management personnel. No options were issued to directors in 2021.

	2022	2021
David Ciclitira	2,000,000	1,341,891
Bryan Lawrie	50,000	335,472
Maria Serena Papi	50,000	-
Ranjit Murugason	50,000	-
Stephen Birrell (appointed 27 July 2021)	50,000	-
	2,200,000	**1,677,363**

Further information on share options are set out in Note 31.

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

11. Finance costs

	2022 £'000	2021 £'000
Loan interest	79	65
Interest expense on lease liabilities	14	19
Other interest	14	24
	107	**108**

Included in loan interest is £12,000 (2021: £22,000) paid to David Ciclitira in accordance with the loan facility described in Note 23, see also Note 33.

12. Taxation

	2022	2021 as restated
Current tax	**£'000**	**£'000**
UK Corporation tax in respect of current year:	-	-
Foreign tax:	69	-
Adjustments in respect of prior years	-	(56)
Total tax (credit) charge for the year	**69**	**(56)**
Deferred taxation		
Original and reversal of temporary differences	(12)	(632)
Total deferred taxation charge	**(12)**	**(632)**
Tax charge on loss on ordinary activities	**57**	**(688)**

	2022 £'000	2021 as restated £'000
Loss on ordinary activities before tax	(9,605)	(3,333)
Loss on ordinary activities at the standard rate of corporation tax of 19% (2021: 19%)	(1,824)	(633)
Effect of disallowable expenditure	988	234
Fixed asset differences	1	-
Foreign Tax	43	-
Remeasurement of deferred tax due to change in tax rates	(264)	204
Movement in deferred tax not recognised	1,113	(447)
Adjustment in respect of prior years	-	(56)
Effect of different tax rates applied in overseas jurisdictions	-	10
Total tax charge/(credit) for the year	**57**	**(688)**

Effective April 2023, the UK taxation rate will increase from 19% to 25%.

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.

	2022	2021 as restated
Loss for the year after tax (£'000)	(9,671)	(2,645)
Weighted average number of shares in issue	193,854,419	131,155,672
Basic and diluted losses per share	(5.0p)	(2.0p)

Because the Group is loss making, diluted losses per share in both 2022 and 2021 are the same as basic losses per share, despite share options and warrants in issue during these years as detailed in note 31.

14. Property, plant and equipment

Group	Content		Fixtures, fittings and office equipment		Total	
	2022	2021	2022	2021	2022	2021
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
Cost at start of year	6,142	5,556	178	175	6,320	5,731
Additions for year	205	586	4	3	209	589
Disposals	(686)	-	-	-	(686)	-
Cost at end of year	**5,661**	**6,142**	**182**	**178**	**5,843**	**6,320**
Depreciation						
Cumulative depreciation at start of year	2,241	1,487	147	100	2,388	1,587
Charge for year	824	754	27	47	851	801
Impairment charge	628	-	-	-	628	-
Eliminated on disposal	(411)	-	-	-	(411)	-
Cumulative depreciation at end of year	**3,282**	**2,241**	**174**	**147**	**3,456**	**2,388**
Net book value at end of year	**2,379**	**3,901**	**8**	**31**	**2,387**	**3,932**
Net book value at start of year	**3,901**	**4,069**	**31**	**75**	**3,932**	**4,144**

The Company had no property, plant and equipment assets in either 2022 or 2021.

The Directors reviewed the carrying value at 31 December 2022 for indicators of impairment for each asset and it was determined that content assets should be impaired by £628,000 (2021: £nil). The impairment charge is based on the estimated net book value of assets that have been idle during the year. Management tested the assets for impairment and assessed the recoverable amount to be less than carrying amount by the amount of the impairment.

15. Right of use Assets

Buildings	Group	
	2022	2021
	£'000	£'000
Cost		
Cost at start of year	308	308
Additions for year	-	-
Cost at end of year	**308**	**308**
Depreciation		
Cumulative depreciation at start of year	138	77
Charge for year	62	62
Cumulative depreciation at end of year	**200**	**139**
Net book value at end of year	**108**	**169**
Net book value at start of year	**169**	**231**

The Company had no right of use assets in either 2022 or 2021.

16. Intangible assets

Group	Trademarks		Novated Contracts		Software Platform		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost								
Cost at start of year	90	89	1,450	1,450	-	-	1,540	1,539
Additions for year	36	1			83	-	119	1
Cost at end of year	**126**	**90**	**1,450**	**1,450**	**83**	**-**	**1,659**	**1,540**
Amortisation								
Cumulative amortisation at start of year	32	23	277	-	-	-	309	23
Charge for year	8	9	280	277	5	-	293	286
Cumulative amortisation at end of year	**40**	**32**	**557**	**277**	**5**	**-**	**602**	**309**
Net book value at end of year	**86**	**58**	**893**	**1,173**	**78**	**-**	**1,057**	**1,231**
Net book value at start of year	**58**	**66**	**1,173**	**1,450**	**-**	**-**	**1,231**	**1,516**

Company	Trademarks		Novated Contracts		Total	
	2022	2021	2022	2021	2022	2021
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
Cost at start of year	-	-	1,450	1,450	1450	1,450
Additions for year	24	-	-	-	24	-
Cost at end of year	**24**	**-**	**1,450**	**1,450**	**1,474**	**1,450**
Amortisation						
Cumulative amortisation at start of year	-	-	277	-	277	-
Charge for year	-	-	280	277	280	277
Cumulative amortisation at end of year	**-**	**-**	**557**	**277**	**557**	**277**
Net book value at end of year	**24**	**-**	**893**	**1,173**	**917**	**1,173**
Net book value at start of year	**-**	**-**	**1,173**	**1,450**	**1,173**	**1,450**

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. The carrying value of trademarks at 31 December 2022 is £86,000 (2021; £58,000).

LCSE novated contracts

In December 2020 the Company formed a new Sports and Entertainment division ('LCSE') through the acquisition of the entire issued share capital of Live Company Sports and Entertainment Limited together with its wholly owned subsidiary Live Company Sports and Entertainment (Pty) Limited and 50% interest in K-Pop Europa Limited for £650,000. Prior to the acquisition Live Company Sports and Entertainment Limited was 100% owned by David Ciclitira.

The Company also purchased certain contracts from World Sport South Africa (Pty) Limited for £500,000 and acquired the entire issued share capital of E Movement Holdings Ltd for £300,000. Prior to the acquisition E Movement Holdings Ltd was 33.34% owned by David Ciclitira.

The substance of these transactions being the acquisition of a series of contracts rather than a business combination as defined in IFRS 3 'Business Combinations'. The acquired contracts are amortised over the period of the rights acquired, where contracts are renewable and are likely to be renewed for a further period such further period, but no subsequent periods, is considered to be part of the period of the rights acquired. The carrying value of these contracts at 31 December 2022 is £893,000 (2021; £1,173,000).

StART.Art

In July 2022 the Company acquired the remaining 80.6% of StART.Art not already owned by the Group from David Ciclitiura and Ranjit Murugason. Prior to July 2022 the Company did not exercise significant influence over StART.Art and the Company's interest was included in investments in Other Financial Assets in the Consolidated Statement of Financial Position as 31 December 2021.

On acquisition StART.Art included intangible assets, comprising the capitalised costs of developing the online StART.Art software platform, the carrying value of these assets is £78,000 (2021: £nil).

The directors have reviewed the value of the online software platform included in Intangible Assets and determined that there is no impairment of its value. This conclusion is based on a detailed assessment of various factors, including market conditions, technological advancements, and the platform's ongoing performance and strategic importance.

17. Investments

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Cost				
Cost at start of the year	1,113	-	21,276	20,163
Additions for the year	-	1,113	3,202	1,113
Disposals for the year	(1,000)	-	-	-
Cost at end of year	**113**	**1,113**	**24,478**	**21,276**
Impairment				
At start of the year	-	-	10,438	14,138
Share of loss in associate company	30	-	30	-
Impairment/(reversal) in the year	-	-	4,349	(3,700)
Cumulative impairment at end of year	**30**	**-**	**14,817**	**10,438**
Net book value at end of the year	83	**1,113**	9.661	**10,838**
Net book value at start of year	**1,113**	**-**	**10,838**	**6,025**

Investments in subsidiaries and associates in the books of the Company

	At start of year	Additions	Share of loss in associate company	(Impairment) /reversal of impairment	At end of year
	£'000	£'000		£'000	£'000
Brick Live Group (incorporating Bright Bricks Limited)	8,841	-	-	-	8,841
Parallel Live Group	884	-	-	(884)	-
StART.Art	-	4,202	-	(3,465)	737
E-Movement (PTY) Ltd	113	-	(30)	-	83
	9,838	**4,202**	**(30)**	**(4,349)**	**9,661**

The Directors considered the carrying value at 31 December 2022 for each asset or cash generating unit, identified above in accordance with the accounting policy set out in note 4.

Given the inherent uncertainties in estimating future cash flows and changes in market conditions, actual outcomes may vary, possibly leading to significant adjustments to the carrying amounts. When considering the carrying amounts of each CGU Management use sensitivity analysis to test a number of scenarios taking into account the principal risks and uncertainties facing the Group and make a judgement based on all available information to make informed judgements about the value in use of each CGU.

Brick Live Group - based on a detailed budget and forecast, discounted over five years at the Group's current pre-tax cost of capital, considered by the Directors to be 20% (2021: 9%), and it was determined no impairment was required.

Due to the improved outlook for Brick Live Group following the relaxation of COVID-19 related restrictions in 2021 the Directors determined a partial reversal of the 2020 impairment in the carrying value of the Company's investment in Brick Live Group was required at 31 December 2021. The carrying value of the Company's investment in Brick Live Group at 31 December 2021 was £8,841,000 and represented the value in use of the CGU.

Parallel Live Group – no income has been recorded for Parallel Live Group in 2022 and no income is expected for 2023 or 2024, and whilst discussions are ongoing regarding future events Parallel Live Group is expected to be loss making and the carrying value has been impairment to £nil.

StART Art – based on a detailed budget and forecast, discounted over five years at 5.5%, being the Bank of England base rate at 31 December 2022 plus 2%, the Directors determined that an impairment to the carrying value was required to reflect the current expectations and that projected new sources of income have not been realised.

The carrying value of StARt.Art prior to the impairment represented the fair value on acquisition as determined with reference to a valuation report prepared by an independent firm of accountants for the independent directors for the purposes of Rule 13 of the AIM Rules ("Rule 13") as the acquisition was a Related Party Transaction. Following the impairment the carrying value of the Company's investment in StARt.Art is its value in use, being £737,000.

E-Movement (PTY) Ltd – has been impaired to reflect the Group's share of the losses incurred by the associate.

Financial assets

The Directors considered the carrying value at 31 December 2022 for each investment, identified below, and it was determined that no further impairment was required.

	At start of year £'000	(Disposals) Additions £'000	Impairment £'000	At end of year £'000
Start Art Global Ltd	1,000	(1,000)	-	-
	1,000	**(1,000)**	**-**	**-**

Prior to July 2022, and the acquisition of the remaining 80.06% of StART.Art, the Company did not exercise significant influence over StART.Art and the Company's interest was included in Investments in Other Financial Assets in the Consolidated Statement of Financial Position at 31 December 2021. From July 2022 the results of StART.Art have been consolidated and the investment previously included in Investments in Other Financial Assets treated as a disposal.

18. Goodwill

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Cost at start and end of year	8,888	8,888	-	-
Additions for the year	3,924	-		
Cost at end of year	**12,812**	**8,888**	**-**	**-**
Impairment				
At start of the year	8,004	7,992	-	-
Impairment in the year	4,070	12	-	-
Cumulative impairment at end of year	**12,074**	**8,004**	**-**	**-**
Net book value at end of year	**738**	**884**	**-**	**-**
Net book value at start of year	**884**	**896**	**-**	**-**

Goodwill is allocated to following CGUs:

	At start of year	Additions	Impairment	At end of year
	£'000	£'000	£'000	£'000
Parallel Live Group	884	-	(884)	-
StART.Art	-	3,924	(3,186)	738
	884	**3,924**	**(4,070)**	**738**

Impairment review of goodwill

The Directors considered the carrying value at 31 December 2022 for each asset or cash generating unit, identified above in accordance with the accounting policy set out in note 4.

Given the inherent uncertainties in estimating future cash flows and changes in market conditions, actual outcomes may vary, possibly leading to significant adjustments to the carrying amounts. When considering the carrying amounts of each CGU Management use sensitivity analysis to test a number of scenarios taking into account the principal risks and uncertainties facing the Group and make a judgement based on all available information to make informed judgements about the value in use of each CGU.

Parallel Live Group – no income has been recorded for Parallel Live Group in 2022 and no income is expected for 2023 or 2024, and whilst discussions are ongoing regarding future events Parallel Live Group is expected to be loss making and the carrying value has been impairment to £nil.

StART Art – based on a detailed budget and forecast, discounted over five years at 5.5%, being the Bank of England base rate at 31 December 2022 plus 2%, the Directors determined that an impairment to the carrying value was required to reflect the current expectations and that projected new sources of income have not been realised.

The carrying value of StARt.Art prior to the impairment represented the fair value on acquisition as determined with reference to a valuation report prepared by an independent firm of accountants for the independent directors for the purposes of Rule 13 of the AIM Rules ("Rule

13”) as the acquisition was a Related Party Transaction. Following the impairment the carrying value of the Company’s investment in StARt.Art is its value in use, being £738,000.

START Art Global (‘StART.Art’)

In May 2021 the Company subscribed to 389 ordinary shares in StART.Art, for a total cash consideration of £1,000,000 the amount being supported by a valuation report prepared by an independent firm of accountants for the independent directors for the purposes of Rule 13 of the AIM Rules (“Rule 13”) as the acquisition was a Related Party Transaction. In November 2021 StART.Art acquired the entire issued share capital of Start (2013) Limited, the promoter of the StART Art Fair, in an all share transaction, resulting in a decrease in the Company’s interest in the enlarged group from 18.6% to 14.6% with no diminution of value. In December 2021 StART.Art issued a further 180 ordinary shares to LVCG for nominal consideration increasing LVCG’s holding to 19.94%. In July 2022 the Company acquired the remaining 80.06% of StART.Art not already owned by the Group from David Ciclitira and Ranjit Murugason for total consideration of £3,202,000, again the amount being supported by a valuation report prepared by an independent firm of accountants for the independent directors for the purposes of Rule 13 of the AIM Rules (“Rule 13”) as the acquisition was a Related Party Transaction.

Prior to July 2022 the Company did not exercise significant influence over StART.Art and the Company’s interest was included in Investments in Other Financial Assets in the Consolidated Statement of Financial Position at 31 December 2021. The results of StART.Art have been consolidated from the date of the acquisition of the remaining 80.06% resulting in goodwill of £3,924,000 arising.

Projected new sources of income have not been realised and therefore the carrying value has been impaired to £738,000 to reflect the current expectations.

KPOP Lux (‘KPL’)

In May 2022 the Company incorporated a new 100% owned subsidiary KPOP Lux Limited. KPL further incorporated several dormant entities, being K.Flex Asia Limited, K.Flex Americas Limited and K.Flex Enterprises Limited.

19. Investments in Associates and Joint Ventures

Brick Live Centre Education Development (Beijing) Company Ltd (‘BLCED’)

In July 2017, BLFE entered into a long-term agreement with Fortune Access, to create a limited liability foreign enterprise company in China called Brick Live Centre Education Development (Beijing) Company Limited. BLFE agreed to invest 980,000 RMB (approximately £111,000) for a 49% shareholding. Based on the performance in the year ended 31 December 2020 the investment in the associate was impaired to £nil. In August 2021 the Fortune Access contributed a further 516,000 RMB (approximately £61,000), reducing the Group’s interest to 36%.

The Group accounts for the associate under the equity method of accounting.

The results of BLCED in the year are:	2022	2021
	£'000	£'000
Revenue	10	473
Loss before tax	(600)	(468)
Taxation	-	-
Loss after tax	**(600)**	**(468)**
Current assets	225	380
Non-current assets	275	490
Current liabilities	(1,443)	(1,205)
Non-current liabilities	(1)	(64)
	(944)	**(400)**

BLCED losses have been recognised through the Consolidated Statement of Comprehensive Income to the extent that they do not exceed the Group's initial investment in BLCED together with the Group's share of its accumulated profits. The Group's unrecognised share of BLCED's loss for the year to 31 December 2022 is £216,000 (2021: £168,000). The Group's unrecognised share of BLCED's cumulative loss is £334,000. The Group has no legal obligation to cover the losses.

Parallel Three Six Zero Inc ('PTSZ')

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.

There were no BRICKLIVE events in North America operated by PTSZ in 2022 or 2021.

The Group accounts for the joint venture under the equity method of accounting.

The results of the PTSZ in the year are:

	2022	2021
	£'000	£'000
Revenue	-	-
Loss before tax	-	-
Taxation	-	-
Loss after tax	**-**	**-**
Current assets	-	-
Non-current assets	-	-
Current liabilities	(27)	(27)
Non-current liabilities	-	-
	(27)	**(27)**

E-Movement (PTY) Ltd (‘EMPL’)

In November 2021 the Company purchased 271 ordinary shares, representing 20% of the total issued share capital, in E Movement (PTY) Limited ('EMPL') from David Ciclitira for a total consideration of £113,460. These shares were originally purchased by David Ciclitira (acting in his personal capacity) for the same amount in anticipation of them being transferred to the Company. EMPL is the South African based promoter of the Cape Town E Prix which has been confirmed for Series 9 of the ABB FIA Formula E World Championship which took place in February 2023. In October 2022 issued a further 475 ordinary shares to a new investor reducing the Company’s holding to 14.8%

The results of the EMPL in the year are:

	2022 £’000	2021 £’000
Revenue	98	52
Loss before tax	(154)	(75)
Taxation	-	-
Loss after tax	**(154)**	**(75)**
Current assets	2,257	384
Non-current assets	3,080	-
Current liabilities	(4,564)	(283)
Non-current liabilities	-	-
	773	**102**

20. Inventories

	Group		Company	
	2022 £’000	2021 £’000	2022 £’000	2021 £’000
Inventories	2,611	3,742	-	-
Work in progress	225	63	-	-
	2,836	**3,805**	**-**	**-**

Included in inventories is £1,875,000 (2021: £3,097,000) of stock acquired on acquisition of Bright Bricks Group and included at fair value at that date and is subsequently recognised at lower of that initial amount and net realisable value. Inventories is made up of individual LEGO bricks and LEGO sets. The Directors considered the carrying value at 31 December 2022 for inventories and it was determined that the carrying value should be written-down by £981,000 (2021: £nil) and is included in administrative expenses in the consolidated statement of comprehensive income.

Included in inventories is £1,500,000 (2021: £1,500,000) subject to a sale and HP Agreement entered into with Close Leasing Limited, (see Note 23).

21. Trade and other receivables

	Group		Company	
	2022	**2021**	**2022**	**2021**
	£'000	**£'000**	**£'000**	**£'000**
Trade receivables	369	231	-	2
Amounts owed by subsidiaries (note 33)	-	-	788	1,155
Other receivables	181	57	99	50
Prepayments and accrued income	311	224	208	123
	860	**512**	**1,095**	**1,330**

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

The Group's method for estimating an allowance is based upon a review of accounts deemed delinquent (90 days past due), the Company's historical bad debt experience and management's judgment. Any uncollected balances are written off after all methods of collection have been exhausted. Based on the Group's estimates on 31 December 2022 an expected credit losses of £155,000 (2021: £48,000) has been recorded within Trade receivables.

The Group makes use of a simplified approach in accounting for expected losses on trade and other receivables and records the loss allowance as lifetime expected credit losses. The Group makes use of a provision matrix in applying the simplified approach. In calculations, the company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses.

22. Cash and cash equivalents

	Group		Company	
	2022	**2021**	**2022**	**2021**
	£'000	**£'000**	**£'000**	**£'000**
Cash at bank	291	211	-	-

23. Borrowings

	Group		Company	
	2022	**2021**	**2022**	**2021**
	£'000	**£'000**	**£'000**	**£'000**
Loan due within one year	511	477	63	56
Loan due after one year	819	1,201	130	185
	1,330	**1,678**	**193**	**241**

In April 2020 the Company entered into a £250,000 CBILS loan agreement with NatWest Bank Plc of which £185,000 remained outstanding at the balance sheet date. The loan is unsecured, for a term of six years with an effective interest rate of 4.08%.

In April 2020 the Group entered into a £500,000 loan agreement with David Ciclitira at an interest rate of 16.2%, in March 2022 the outstanding balance was repaid in full.

In August 2020 the Group entered into an agreement with Close Leasing Limited whereby stock totalling £1,500,000 included under Inventories in the Statement of Financial Position in these condensed consolidated financial statements was sold to Close Leasing Limited and purchased back under the terms of a £1,500,000 Hire Purchase Facility (HP Agreement) provided in conjunction with the CBILS, of which £1,051,000 remained outstanding at the balance sheet date. The HP Agreement was for a term of five years at an effective interest rate of 5.14% secured against the £1,500,000 of stock subject to the agreement and a fixed and floating charge over the Group's other assets.

In August 2020 Start Art (2013) Ltd entered into a £50,000 bounce back loan agreement with Coutts of which £35,000 remained outstanding at the balance sheet date. The loan is unsecured, for a term of five years with an effective interest rate of 2.52%.

23.1. Movement of borrowings in the financial period

	Group		Company	
	2022	**2021**	**2022**	**2021**
	£'000	**£'000**	**£'000**	**£'000**
Opening balance	1,678	2,045	241	250
Borrowing	59	-	8	-
Repayment of loan capital	(407)	(367)	(56)	(9)
Closing balance	**1,330**	**1,678**	**193**	**241**

24. Trade and other payables

	Group		Company	
	2022	**2021**	**2022**	**2021**
	£'000	**£'000**	**£'000**	**£'000**
Trade payables	1,683	1,096	544	533
Amounts owed to subsidiaries	-	-	601	217
Other payables	2,513	275	2,491	188
Other taxation and social security	1,193	1,265	15	32
Accruals and deferred income	1,236	1,415	775	579
	6,625	**4,051**	**4,426**	**1,549**

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

Other payables include £2,091,000 (2021: £160,000) of deferred consideration.

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.

Set out below are liquidity risk comparative tables as at 31 December 2022 and 31 December 2021.

Remaining contractual maturities year ended 31 December 2022

Group	**Within 3 months**	**> 3 months < 1 year**	**> one year < 5 years**	**Total carrying amount**
	£'000	**£'000**	**£'000**	**£'000**
Bank loans and borrowings	147	364	819	1,330
Trade and other payables	4,196	-	-	4,196
Lease liabilities	17	55	50	122
	4,360	**419**	**869**	**5,648**

Company	**Within 3 months**	**> 3 months < 1 year**	**> one year < 5 years**	**Total carrying amount**
	£'000	**£'000**	**£'000**	**£'000**
Bank loans and borrowings	21	42	130	193
Trade and other payables	3,636	-	-	3,636
	3,657	**42**	**130**	**3,829**

Remaining contractual maturities year ended 31 December 2021

Group	Within 3 months £'000	> 3 months < 1 year £'000	> one year < 5 years £'000	Total carrying amount £'000
Bank loans and borrowings	185	292	1,201	1,678
Trade and other payables	1,373	-	-	1,373
Lease liabilities	16	50	122	188
	1,574	**342**	**1,323**	**3,239**

Company	Within 3 months £'000	> 3 months < 1 year £'000	> one year < 5 years £'000	Total carrying amount £'000
Bank loans and borrowings	14	42	185	241
Trade and other payables	938	-	-	938
	952	**42**	**185**	**1,179**

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 2022:

	Not impaired and not past due	Not impaired but past due by the following amounts			
		>30 days	>60 days	>90 days	>120 days
	£'000	£'000	£'000	£'000	£'000
Group: Trade and other receivables	685	57	36	5	77
Company: Trade and other receivables	1,095	-	-	-	-

Financial assets past due but not impaired as at 31 December 2021:

	Not impaired and not past due	Not impaired but past due by the following amounts			
		>30 days	>60 days	>90 days	>120 days
	£'000	£'000	£'000	£'000	£'000
Group: Trade and other receivables	227	14	8	16	22
Company: Trade and other receivables	1,207	-	-	-	-

Trade and other receivables above exclude prepayments and accrued income.

The Group is exposed to credit risk on its cash and cash equivalents, trade and other receivables. The maximum exposure to credit risk is represented by the carrying value of each financial asset.

Credit risk with respect to cash is reduced through maintaining banking relationships with established financial intermediaries with acceptable credit ratings. Bank deposits as at 31 December 2022 were £291,000 (2021: £211,000), all of which are considered of low credit risk.

Credit risk with respect trade and other receivables Is reduced through assessing all material new clients for credit risk prior to entering into a contractual relationship. All trade and other receivables are assessed regularly for credit risk and those which are past due by 90 days or more and where there has been a breakdown of communication with the client such that there is no longer confidence that the sum will be collectable are impaired to the extent that they are no longer expected to be collectable.

Group trade and other receivables excluding prepayments and accrued income as at 31 December 2022 were £550,000 (2021: £287,000), all of which are collected and/or collectable and are considered of low credit risk.

Market risk

a. *Interest rate risk*
The Group had two outstanding interest-bearing loans (one with NatWest Bank PLC and one with Coutts) and the HP Agreement with Close Leasing Limited at the year end. The interest rates in respect of the HP Agreement and Coutts loan are fixed and in respect of the loan from NatWest Bank PLC is calculated in relation to bank Base Rate, there are no early redemption penalties associated with the NatWest Bank PLC loan and the 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, Euros and South African Rand. As a result, the Group's sterling accounts can be affected by movements in the US Dollar/Sterling, the Euro/Sterling and the South African Rand/Sterling exchange rates.

The foreign assets and liabilities of the Group and Company are closely matched as at 31 December 2022. 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 2022, for each 10% fluctuation in exchange rates, net assets are expected to be impacted by £35,000 (2021: £11,000).

Year ended 31 December 2022

Carrying amount (sterling equivalent)	£	$	€	R	Total	Forex Risk (-10%)	10%
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Financial assets							
Cash	20	1	-	270	291	27	(27)
Trade and other receivables	461	14	114	271	860	40	(40)
	481	**15**	**114**	**541**	**1,151**	**67**	**(67)**
Financial liabilities							
Borrowings	1,330	-	-	-	1,330	-	-
Trade payables	1,040	354	78	211	1,683	64	(64)
Other payables	2,513	-	-	-	2,513	-	-
Lease liabilities	122	-	-	-	122	-	-
Other taxation and social security	1,188	-	-	5	1,193	1	(1)
Accruals and deferred income	851	-	-	385	1,236	39	(39)
	7,044	**354**	**78**	**601**	**8,077**	**104**	**(104)**
Net Impact						**37**	**(37)**

Year ended 31 December 2021

Carrying amount (sterling equivalent)	£	$	€	R	Total	Forex Risk (-10%)	10%
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Financial assets							
Cash	(36)	1	-	246	211	25	(25)
Trade and other receivables	390	14	12	96	512	12	(12)
	354	**15**	**12**	**342**	**723**	**37**	**(37)**
Financial liabilities							
Borrowings	1,678	-	-	-	1,678	-	-
Trade payables	836	88	101	73	1,098	26	(26)
Other payables	275	-	-	-	275	-	-
Lease liabilities	188	-	-	-	188	-	-
Other taxation and social security	1,265	-	-	-	1,265	-	-
Accruals and deferred income	1,170	-	-	-	1,170	-	-
	5,412	**88**	**101**	**73**	**5,674**	**26**	**(26)**
Net Impact						**(11)**	**11**

26. Lease liabilities

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Current	72	66	-	-
Non-current	50	122	-	-
	122	**188**	**-**	**-**

In 2019, a right of use asset, being the present value of the operating lease payments over the remaining life of the lease, was recognised. The right of 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 2022 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	**2022**	**2021**
	£'000	**£'000**
Lease payments	-	-
Lease depreciation	62	62
Interest	14	19

Non-cancellable lease commitments	**2022**	**2021**
	£'000	**£'000**
Not later than 1 year	72	66
Later than 1 year and not later than 5 years	50	122
Later than 5 years	-	-
	122	**188**

26.1. Movement in lease liabilities in the financial period

	2022	**2021**
	£'000	**£'000**
Opening balance	188	248
Payments made	(66)	(60)
Closing balance	**122**	**188**

27. Deferred tax

	2022 £'000	2021 as restated £'000
At start of year	12	644
(Credited)/Charged to profit or loss	(12)	(632)
At end of year	**-**	**12**

Due to the availability of UK tax losses, subject to agreement with the HMRC, there is an estimated deferred tax asset of £2,036,000 relating to UK trading losses of £7,163,000 and other deductible temporary timing differences of £981,000 (2021: £837,000 relating to trading losses of £3,350,000). This is not recognised due to the uncertainty of the timing of future taxable profits against which these losses could be utilised.

Analysis of deferred tax

	2022 £'000	2021 as restated £'000
Accelerated capital allowances	121	430
Tax losses carried forward	(345)	(726)
Othe timing differences	224	308
	-	**12**

28. Share capital

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

	2022 No. of shares	2022 £'000	2021 No. of shares	2021 £'000
Issued and fully paid				
Ordinary shares of 1p	242,569,604	2,426	159,802,147	1,598
Deferred shares of 51.8p	2,047,523	1,061	2,047,523	1,061
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		**6,509**		**5,682**

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

	2022	
Ordinary shares of 1p	**No. of shares**	**£'000**
At start of year	**159,802,147**	**1,598**
Settlement of supplier and contractor fees (RNS Number: 2243B 11 February 2022)	6,223,859	62
Share placing (RNS Number 5879E 14 March 2022)	16,500,000	165
Share placing, settlement of supplier and contractor fees (RNS Number 7666R 8 July 2022)	21,330,000	213
Shares issued on acquisition of StART.Art (RNS Number 7666R 8 July 2022)	18,285,027	183
Exercise of warrants (RNS Number 1815I 12 April 2012)	1,428,571	14
Share placing (RNS Number 1651C 7 October 2022)	5,000,000	50
Settlement of acquisition (RNS 6855C 12 October 2022)	4,000,000	40
Share placing (RNS 8390G 18 November 2022)	10,000,000	100
At end of year	**242,569,604**	**2,426**

	2021	
Ordinary shares of 1p	**No. of shares**	**£'000**
At start of year	**108,138,544**	**1,081**
Settlement of supplier and contractor fees (RNS Number: 4882P 17 February 2021)	1,863,219	19
Share placing, settlement of deferred consideration and contractor fees (RNS Number: 3348X 04 May 2021)	36,000,000	360
Loan conversion and settlement of contractor fees (RNS Number: 1210F 14 July 2021)	1,114,668	11
Share placing, settlement of deferred consideration and contractor fees (RNS Number: 9667V 17 December 2021)	12,685,716	127
At end of year	**159,802,147**	**1,598**

The number of additional shares authorised for issue is 35,684,973 (2021: 60,314,284).

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;
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.

Ordinary shares

The Company has 242,569,604 ordinary shares which rank pari pasu and they are entitled the holders to:

a. receive any dividend or other distribution;
b. 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 shares; and
c. a return of assets on a winding-up of the Company or otherwise only to the repayment of the capital paid up.

29. Share premium

	2022 £'000	2021 £'000
At start of year	27,024	25,004
Premium arising on issue of equity shares	1,647	1,486
Equity settled liabilities	245	644
Share issue costs	(73)	(110)
At end of year	**28,844**	**27,024**

30. Acquisitions

In May 2021, the Company subscribed to 389 ordinary shares in StART.Art', for a total cash consideration of £1,000,000. In November 2021 StART.Art acquired the entire issued share capital of Start (2013) Limited, the promoter of the StART Art Fair, in an all share transaction, resulting in a decrease in the Company's interest in the enlarged group from 18.6% to 14.6% with no diminution of value. This was done to consolidate the art business into one company and to provide an established and respected art fair structure to support the art website.

In December 2021, StART.Art issued a further 180 ordinary shares to LVCG for nominal consideration increasing LVCG's holding to 19.94%.

On 3 August, the Company acquired the remaining 80.06% of StART.Art not already owned by the Group from David Ciclitira and Ranjit Murugason.

Prior to 3 August 2022 the Company did not exercise significant influence over StART.Art and the Company's interest was included in Investments in Other Financial Assets in the Consolidated Statement of Financial Position at 31 December 2021. The results of StART.Art have been consolidated from the date of the acquisition of the remaining 80.06% resulting in goodwill of £3,924,000 arising as detailed in note 18.

	Book value of assets and liabilities acquired £'000	**Fair value adjustments £'000**	**Fair value of assets and liabilities acquired £'000**
Property, plant and equipment	2	-	2
Intangible assets	115	-	115
Inventories	70	-	70
Trade and other receivables	692	-	692
Cash and cash equivalents	12	-	12
Borrowings	(40)	-	(40)
Trade and other payables	(572)	-	(572)
Goodwill	-	-	3,923
			4,202

Satisfied by:	
Cash on completion	120
Shares on completion	1,097
Deferred consideration (cash and shares)	1,985
Fair value of previously held interest	1,000
	4,202

All trade and other receivables have been settled in the course of 2023.

Consideration comprised:

- £120,000 cash
- A total of 18,285,027 new ordinary shares in the Company were issued in at 6p per share, with reference to the Closing bid price per AIM market.
- Deferred consideration of £1,985,000, to be settled in cash or the issue of new ordinary shares in the Company at the Company's discretion.
- The fair value of previously held interest approximated to carrying amount of £1m therefore no gain or loss was recorded as part of acquisition.

Included in the consolidated statement of comprehensive income in 2023 is revenue of £657,000 and pre-tax profit of £99,000; if the business combinations that occurred during the year had been as of the beginning of the annual reporting period; Group revenue for the year would have been of £4,929,000 and pre-tax loss attributable to the owners of the parent Company would have been £9,392,000 in the consolidated statements.

31. Share options and warrants

Share option reserve

	2022 £'000	2021 £'000
At start of year	515	496
Share option charge	327	223
Share options forfeited	(56)	(267)
Warrant charge	77	63
Warrant lapsed	(552)	-
At end of year	**311**	**515**

Share options

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.

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

In April 2022 a total of 4,669,000 new options were granted to certain Directors, employees and contractors with an exercise price of 5p per option, all other options were forfeited as a condition of grant of the new options.

The following Options were granted to Directors:

	Options Granted April 2022 No.
David Ciclitira	2,000,000
Bryan Lawrie	50,000
Maria Serena Papi	50,000
Ranjit Murugason	50,000
Stephen Birrell	50,000
	2,200,000

The inputs into the option pricing model for the options issued in the year are:

Weighted average exercise price	5p
Expected volatility	73%
Expected life	1 year
Risk free interest rate	1.3%
Expected dividends	0.00

No options were issued in 2021.

The option charge for the year ended 31 December 2022 was £264,000 (2021: £223,000).

Details of the share options outstanding during the year are as follows.

	2022		**2021**	
	Number	**Weighted average exercise price (p)**	**Number**	**Weighted average exercise price (p)**
Outstanding at the beginning of the year	1,744,457	65	3,086,346	65
Granted during the year	4,669,000	05	-	-
Forfeited during the year	(1,744,457)	65	(1,341,889)	65
Exercised during the year	-	-	-	-
Outstanding at the end of the year	**4,669,000**	**05**	**1,744,457**	**65**

Options become exercisable on the first anniversary of the grant date and lapse on the tenth anniversary of the grant date. All options currently outstanding were granted on 26 April 2022.

Advisor and creditor warrants

No Advisor Warrants were issued in the year (2021: 1,500,000 at a weighted average exercise price of 5p)

The charge for the year ended 31 December 2022 for the advisor and creditor warrants in issue totals £77,000 (2021: £63,000).

A total of 1,500,000 advisor and creditor warrants were outstanding at 31 December 2022 (2021: 2,213,941).

Investor warrants

10,500,000 (2021: 11,428,572) investor warrants were issued to investors as part of an equity raise and are therefore outside the scope of IFRS 2 ‘Share-based payment’ and consequently there is no share-based payment charge in respect of these warrants.

During the year 16,810,000 (2021: 3,903,840) investor warrants expired and 1,428,571 (2021: nil) were exercised leaving a total of 20,500,001 investor warrants outstanding at 31 December 2022 (2021: 28,238,572).

Warrants	2022 Number	2022 Weighted average exercise price (p)	2021 Number	2021 Weighted average exercise price (p)
Outstanding at the beginning of the year	30,452,513	8.44	21,427,781	24.66
Issued during the year	10,500,000	8.00	12,928,572	5.00
Expired during the year	(17,523,941)	10.98	(3,903,840)	15.00
Exercised during the year	(1,428,571)	5.00	-	-
Outstanding at the end of the year	**22,000,001**	**6.43**	30,452,513	**8.44**

Details of all warrants outstanding during the year are as follows.

	31 December 2022		31 December 2021	
	Number	**Price (p)**	**Number**	**Price (p)**
Investor (exercisable up to 25 February 2021)	-	-	-	-
Adviser (exercisable up to 25 February 2022)*	-	-	50,000	15.00
Investor (exercisable up to 25 June 2022)**	-	-	4,000,000	10.00
Adviser (exercisable up to 25 June 2022)**	-	-	75,000	10.00
Creditor (exercisable up to 17 October 2022)	-	-	356,923	38.79
Investor (exercisable up to 3 December 2022)	-	-	12,810,000	10.00
Creditor (exercisable up to 16 December 2022)	-	-	232,018	38.79
Adviser (exercisable up to 24 May 2023)	1,500,000	5.00-	1,500,000	5.00
Investor (exercisable up to 23 December 2023)	10,000,001	5.00-	11,428,572	5.00
Investor (exercisable up to 28 July 2024)	10,500,000	8.00		
	22,000,001	**6.43**	**30,452,513**	**8.44**

*repriced from 80p to 15p in May 2021.
**repriced from 15p to 10p in May 2021.

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 liabilities of £83,000 at 31 December 2022 (2021: £5.4m net assets). 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.

	2022 £'000	2021 £'000
Loan facility	(1,330)	(1,678)
Total debt	**(1,330)**	**(1,678)**
Cash	291	211
Net debt	**(1,039)**	**(1,467)**

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, including £30,000 (2021: £17,000) paid to CFO Partners Ltd., a company under the control of Bryan Lawrie and £13,000 (2021: £15,000) paid to Ossian Energy Limited, a company under the control of Stephen Birrell for consultancy services.

David Ciclitira

David Ciclitira injected funds into the Company during the year as follows:	**2022 £'000**	**2021 £'000**
Acquisition of StART.Art settled in shares	1,061	-
Loan converted to equity	-	30
Acquisition of LCSE settled in shares	-	200
Total funds injected	**1,061**	**230**

David Ciclitira received payments during the year as set out below:	**2022 £'000**	**2021 £'000**
Consultancy fees	250	
Salary	25	
Healthcare costs	14	14
Fees and interest at 16.2% in relation to the provision of loan facility detailed in Note 23.	12	22
Fees in relation to HP Agreement guarantee	-	21
Consideration for the purchase of StART.Art settled in shares	1,061	-
Consideration for the purchase of share in EMPL	-	113
Consideration for the purchase of share in EMHL	45	-
Consideration for the purchase of LCSE, settled in shares	-	200
	1,407	**370**
Loan repaid		
Loan converted to equity	-	30
Loan repaid	90	174
	90	**204**
Total payments received	**90**	**574**

Ranjit Murugason

Ranjit Murugason received payments during the year as set out below:	2022 £'000	2021 £'000
Acquisition of StART.Art of which £36,000 settled in shares	156	-
Total funds injected	**156**	**-**

Unpaid balances due to related parties at 31 December	2022 £'000	2021 £'000
David Ciclitira*	559	205
Serenella Ciclitira	48	28
Ranjit Murugason**	200	127
Bryan Lawrie	35	24
Stephen Birrell	14	16
	856	**400**

*Includes deferred consideration of £355,000 (2021: £100,000) in relation to the acquisition of David Ciclitira's interest in StART.Art and EMHL (2021: EMHL), and the outstanding loan balance of £nil (2021: £90,823) as detailed in Note 23.

*Includes deferred consideration of £200,000 (2021: £nil) in relation to the acquisition of Ranjit Murugason's interest in StART.Art

Unpaid balances due from related parties at 31 December	2022 £'000	2021 £'000
Parallel Contemporary Art Ltd	65	-
E-Movement (PTY) Ltd	118	67
	183	**67**

Subsidiary undertakings and associates

During the year the Company provided and received services to other Group companies totalling:

Services provided by the Company to:	2022 £'000	2021 £'000
Brick Live International Limited	66	90
K-Pop Europa Limited	219	-
	285	**90**
Services received by the Company from:		
Brick Live International Limited	166	102
Start Art Global Ltd	120	-
	286	**102**

During the year the Live Company Sports and Entertainment (Pty) Limited provide services to E-Movement (PTY) Ltd totalling £218,000 (2021: £164,000)

Services provided by the Company to:	**2022** **£'000**	**2021** **£'000**
Brick Live International Limited	66	90
K-Pop Europa Limited	219	-
	285	**90**

Services received by the Company from:		
Brick Live International Limited	166	102
Start Art Global Ltd	120	-
	286	**102**

Unpaid balances due to/(from) subsidiary undertakings and associates	**2022** **£'000**	**2021** **£'000**
Brick Live Group Limited	65	65
Bright Bricks Limited	(532)	(521)
Brick Live International Limited	(256)	(593)
K-Pop Europa Limited	21	(41)
Live Company Group EBT Limited	206	152
Start Art Global Limited	308	-
	188	**(938)**

Investments

In May 2021, the Company subscribed to 389 ordinary shares in Start Art Global Limited. ('StART.Art'), representing a non-controlling stake of 18.6% of the total issued share capital of the company, for a total consideration of £1,000,000. Prior to the transaction StART.Art was 100% owned by David Ciclitira and Ranjit Murugason who are both directors of the Company.

In November 2021 StART.Art acquired the entire issued share capital of Start (2013) Limited, the promoter of the StART Art Fair, in an all share transaction, resulting in a decrease in the Company's interest in the enlarged group from 18.6% to 14.6% with no diminution of value. Prior to the acquisition Start (2013) Limited was 100% owned by David Ciclitira and Ranjit Murugason who are both directors of the Company.

In December 2021, following a reorganisation of the capital structure of StART.Art, StART.Art issued a further 180 ordinary shares to LVCG for nominal consideration increasing LVCG's holding to 19.9%.

In July 2022, the remaining 80.1% of StART. Art was acquired by the group for a consideration of £3,202,243 from David Ciclitira and Ranjit Murugason consisting of a mixture of cash and shares.

In November 2021, the Company purchased 271 ordinary shares, representing 20% of the total issued share capital, in E-Movement (PTY) Limited ('EMPL') from David Ciclitira for a total consideration of £113,460. These shares were originally purchased by David Ciclitira (acting in his personal capacity) for the same amount in anticipation of them being transferred to the Company.

34. Subsidiaries

At 31 December 2022, 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
Bright Bricks Ltd	07227540	UK	100%	Specialist production company
Live Company Group EBT Limited	12792192	UK	100%	Employee Benefit Trust Company
Parallel Live Group Limited	09932658	UK	100%	Holding Company
Live Company Sports Ltd	12328268	UK	100%	Holding Company
E Movement Holdings Limited	12502990	UK	100%	Holding Company
Start Art Global Limited	13113084	UK	100%	StART.Art online platform
KPOP Lux Limited	14132899	UK	100%	Holding Company
KPOP.Flex Limited	11671096	UK	100%	Holding Company
Championship (Singapore) Pte Limited	201427355K	Singapore	95%	Dormant
Held indirectly				
Brick Live Far East Limited	10308158	UK	100%	Dormant
Brick Live Far East Limited	2460460	Hong Kong	100%	Owner of Associate investment in China
Brick Live International Limited	10257756	UK	100%	BRICKLIVE events
Parallel Live (NY) LLC	6339763	USA	100%	Dormant
Live Company Sports and Entertainment (Pty) Limited	2020/765082/07	South Africa	100%	Sports and entertainment events
K-Pop Europa Limited	12924203	UK	50%	KPOP events

Start (2013) Limited	08564914	UK	100%	StART.Art art fairs
Start Global Limited	12433013	UK	100%	Dormant
Start TV Limited	13294855	UK	100%	Dormant
Start Art Productions Limited	13461711	UK	100%	Dormant
Start Luxury Group Limited	14057781	UK	100%	Dormant
K. Flex Enterprises Limited	14135025	UK	100%	Dormant
K. Flex Asia Limited	14136666	UK	100%	Dormant
K. Flex Americas Limited	14134940	UK	100%	Dormant
E Movement Holdings (Pty) Limited	2021/354354 /07	South Africa	100%	Formula E events

In December 2020, the Company acquired the entire issued share capital of Live Company Sports and Entertainment Limited including its 50% interest in K-Pop Europa Limited (KPE).

At the time of acquisition the Directors concluded, by virtue of David Ciclitira being the sole director of KPE and was thus able to direct its activities, that KPE should be consolidated as a subsidiary in accordance with IFRS 10. The directors continued to assess signifiers of control during the year ended 31 December 2022 and concluded that the criteria for consolidation continued throughout the year.

Bright Bricks 2020 Limited was dissolved in March 2023.

The registered office of the subsidiaries incorporated is England and Wales is 3 Park Court Pyrford Road, West Byfleet, Surrey, KT14 6SD.

The registered office of the overseas subsidiaries are as follows:-

Championship (Singapore) Pte Limited, 62 Neil Road, Singapore (088833).

Brick Live Far East Limited, RM 1307A 13/F, Two Harbourfront, 22 Tak Fung Street, Hughom, Hong Kong.

Parallel Live ((NY) LLC, 800 N King St, Suite 303, Wilmington, DE 19801, USA

E Movement Holdings (Pty) Limited, 9 Viscount Crescent, Baronetcy Estate, Plattekloof, Western Cape, 7500, South Africa.

Live Company Sports and Entertainment (Pty) Limited, Noland House, River Park, Mowbray, Western Cape, South Africa.

The company's subsidiaries Brick Live Group Limited, Parallel Live Group Limited, Brick Live International Limited, and Live Company Group EBT 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.

35. Events after the Year End

In January 2023 the Group signed an agreement with Seoul Broadcasting System (‘SBS’) to create a K-Pop concert in Madrid in July 2023, and a 2-day K-Pop festival in London during

September 2023. Revenue for the Group is derived from several sources: ticket sales, merchandising, sponsorship, and streaming.

In February 2023 the Group licenced the StART Art name worldwide for use in an art based blockchain product ("Coin"). Under the terms of the agreement an annual licence fee of £500,000 is payable to LVCG on 1 August in each year of the term. The fee is split between a £300,000 cash element (payable on 1 August 2023) with the option, at the Company's discretion, to receive the remaining fee of £200,000 on or before 1 September 2023, in cash or Coins.

In February 2023 the Company took out a short-term prepayment facility with Riverfort Global Opportunities PCC Limited (“the facility”) for £500,000 of which an initial prepayment of £200,000 was received.

In February 2023 LCSE organised the Cape Town Formula E race and the Cape Town stopover of the Global Ocean Race, which included a week of sustainability events.

In February 2023 the Group signed a new agreement with a branding and promotional business Birdman Inc. to collaborate on the staging and promotion of an annual K-Pop concert to take place in Nagoya, Japan Revenue for the Group is derived form a $1,000,000 licence fee, merchandising, sponsorship, streaming and profit share.

In March 2023 several long-term existing shareholders subscribed for a total of 9,975,000 new ordinary shares of 1p each at a price of 2p per share and certain warrants issued in 2021 and 2022 were rebased to have an exercise price of 3.5p per ordinary share raising a total of £200,000.

In May 2023 the Group sold two existing underperforming BRICKLIVE tours, Mythical Beasts and Outer Space, for £350,000 in staged payments between July and October 2023.

In August 2023, the KPOP LUX Super Concert London scheduled for 22-24 September 2023 was postponed.

In September 2023 Maria Serena Papi resigned as a director of Live Company Group plc.

During the last quartile of 2023, the Company undertook a cost reduction and cash preservation exercise with staff numbers cut and salaries reduced where appropriate.

David Ciclitira has agreed to provide a £1,200,000 two-year convertible loan note to the Company, of which £570,000 has already been advanced to settle certain liabilities as they fall due. The convertible loan note is classified as a Related Party transaction under AIM Rules for Companies (the ‘AIM Rules’). The terms of the convertible loan note are to be agreed by the independent directors and announced separately in due course.

The Non-Executive Directors, including Maria Serena Papi, have agreed to convert their outstanding director fees totalling £221,193 into new ordinary shares at 0.03p. In addition, other creditors totalling £860,080 have agreed to convert into new ordinary shares at 0.03p. Further discussions with creditors to convert their outstanding balances into new ordinary shares at 0.03p are on-going.

The Company has agreed with David Ciclitira and Ranjit Murugason, as original owners of Start Art Global Limited ("StartArt"), to cancel the acquisition of the 80.06% of Start Art as announced on 8 July 2022 in return for the cancellation of all amounts owing to the being up to an aggregate of £500,000 in cash and £519,800 in Ordinary Shares, with the Company retaining a 19.94% interest. The StART.Art disposal is classified as Related Parties under AIM Rules for Companies (the 'AIM Rules'). The Company intends to seek approval from shareholders at a General Meeting during the first quarter of 2024, details of which will be provided in due course. The General Meeting circular will provide all information with regards to the Related Parties and the opinion of the independent director and the Company's Nominated Adviser, Beaumont Cornish Limited. Any changes in the goodwill will be reflected in the Annual Report and Accounts for the Company ending 31 December 2023.

The Company is also in advanced negotiations with a cornerstone investor who intends to invest in LVCG in a two stage process. The first being a £1.5m loan and the second being a potential equity investment in the Company. Negotiations while advanced are ongoing and there can be no guarantee that these will conclude.

A placing for a £500,000 equity placement has been agreed with the Company's broker, CMC Markets. Final details will be communicated to shareholders on conclusion of this placing.

36. Prior Year Adjustments

Group

*Duri*ng the year the Directors reviewed the way VAT is accounted on certain transactions in the period prior to February 2021 which could result in a one-off charge of £243,000, this resulted in an increase in the current liabilities previously reported in the Consolidated Statement of Financial Position at 31 December 2020 from £1,120,000 to £1,346,000, and an increase in the current liabilities previously reported in the Consolidated Statement of Financial Position at 31 December 2021 from £1,172,000 to £1,415,000.

During the year the Directors reviewed the way deferred tax losses were offset against deferred tax liability this resulted in a reduction in the deferred tax liability previously reported in the Consolidated Statement of Financial Position at 31 December 2021 from £761,000 to £12,000. There was no impact on this adjustment on the Consolidated Statement of Financial Position at 31 December 2020.

In respect of the Consolidated Statement of Comprehensive Income for the year ended 31 December 2021 as previously reported the following describes the impact of the above adjustments on each affected line item:

	Previously reported	VAT adjustment	Deferred tax adjustment	As restated
	31 December 2021			**31 December 2022**
	£'000	**£'000**	**£'000**	**£'000**
Administrative expenses	(3,244)	(17)	-	(3,261)
Operating loss	**(3,208)**	**(17)**	**-**	**(3,225)**
Loss for year before tax	**(3,316)**	**(17)**	**-**	**(3,333)**
Taxation	(61)	-	749	688
Loss for the year	**(3,377)**	**-**	**749**	**(2,645)**
Total comprehensive loss	**(3,377)**	**-**	**749**	**(2,645)**
Loss per share	**(2.6p)**	**-**	**0.6**	**(2.0p)**

In respect of the Consolidated Statement of Financial Position at 31 December 2021 as previously reported the following describes the impact of the above adjustments on each affected line item:

	Previously reported	VAT adjustment	Deferred tax adjustment	As restated
	31 December 2021			**31 December 2022**
	£'000	**£'000**	**£'000**	**£'000**
Accruals and deferred income	1,172	243		1,415
Total current liabilities	**4,351**	**243**		**4,594**
Net current assets/(liabilities)	177	(243)		(66)
Deferred tax liability	761	-	(749)	12
Total non-current liabilities	**2,084**	**-**	**(749)**	**1,335**
Net assets	**5,422**	**(243)**	**749**	**5,928**
Accumulated losses	(21,496)	(243)	749	(20,990)
Total equity	**5,422**	**(243)**	**749**	**5,928**

Company
During the year the Directors reviewed the way VAT is accounted on certain transactions in the period prior to February 2021 which could result in a one-off charge of £243,000, this resulted in an increase in the current liabilities previously reported in the Company Statement of Financial Position at 31 December 2020 from £1,362,000 to £1,346,000, and an increase in the current liabilities previously reported in the Company Statement of Financial Position at 31 December 2021 from £1,362,000 to £1,605,000.

During the year the Directors reviewed the way deferred tax losses were offset against deferred tax liability this resulted in a reduction in the deferred tax liability previously reported in the Consolidated Statement of Financial Position at 31 December 2021 from £359,000 to £nil. There was no impact on this adjustment on the Consolidated Statement of Financial Position at 31 December 2020.

In respect of the Company Statement of Financial Position at 31 December 2021 as previously reported the following describes the impact of the above adjustment on each affected line item:

	Previously reported	**VAT adjustment**	**Deferred tax adjustment**	**As restated**
	31 December 2021			**31 December 2022**
	£'000	**£'000**	**£'000**	
Accruals and deferred income	336	243	-	579
Total current liabilities	**1,362**	**243**	**-**	**1,605**
Net current assets/(liabilities)	(32)	243	-	(275)
Deferred tax	359	-	(359)	-
Net assets	**11,435**	**(243)**	**359**	**11,551**
Accumulated losses	(41,849)	(243)	359	(41,733)
Total equity	**11,435**	**(243)**	**359**	**11,551**

The Company's result for the year ended 31 December 2021 was previously reported as a profit of £1,404,000 and was increased to £1,745,000 by virtue of an increase of £359,000 by virtue of the deferred tax adjustment and a reduction of £17,000 due to the VAT adjustment.