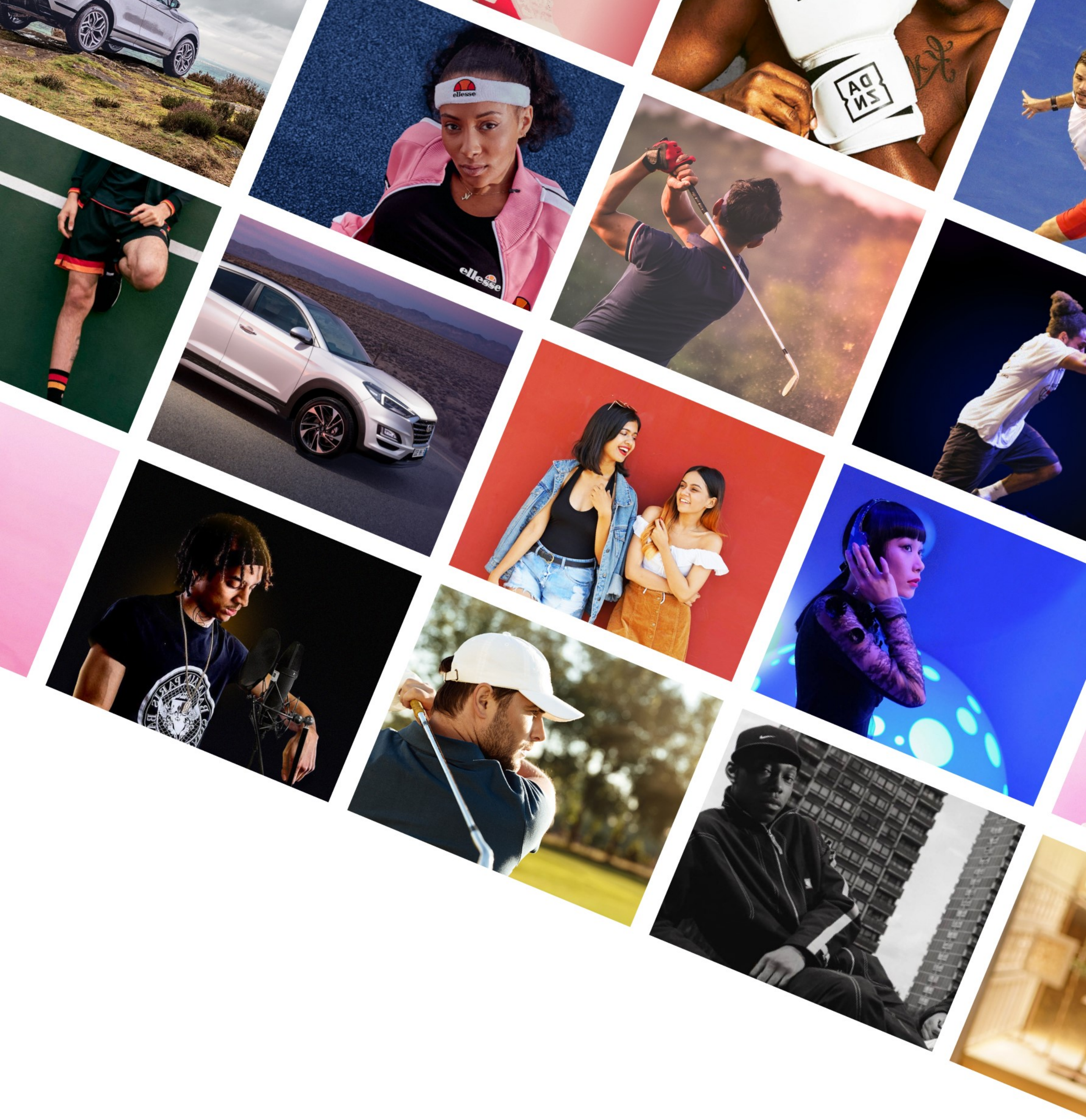

BraveBison

Annual Report 2020

Registered Number: 08754680

BRAVE BISON GROUP PLC

ANNUAL REPORT

FOR THE YEAR ENDED

31 December 2020

For the year ended 31 December 2020

For the year ended 31 December 2020

The Board of Directors	Oliver Green Philippa Norridge (appointed 5 February 2020) Matthew Law (appointed 17 February 2020) Paul Campbell-White (resigned 4 February 2020) Paul Marshall (resigned 20 January 2020) Miriam Mulcahy (resigned 31 January 2020) Kate Burns (resigned 11 June 2020)
Company secretary	Philippa Norridge (appointed 4 September 2020) Vishal Jassal (resigned 4 September 2020)
Registered office	79-81 Borough Road London SE1 1DN
Company number	08754680
Auditors	Moore Kingston Smith LLP Charlotte Building 17 Gresse Street London W1T 1QL
Solicitors	Memery Crystal LLP 165 Fleet Street London EC4A 2DY
Nominated Adviser and Broker	Cenkos Securities Plc 6.7.8 Tokenhouse Yard London EC2R 7A

For the year ended 31 December 2020

2020 Headlines

Financial Highlights

- 2020 Adjusted EBITDA* of £0.1 million, compared to £0.4 million loss in 2019
- 2020 Revenue of £14.5 million, compared to £16.8 million in 2019
- 2020 Gross profit of £4.0 million, compared to £5.2 million in 2019
- Net cash balance of £2.7 million at year end
- Positive cashflow of £0.6 million in the second half of 2020

Operational Highlights

- Appointment of new management team and Board during the period following the appointment of Oliver Green as Executive Chairman, Philippa Norridge as Chief Financial Officer, Theo Green as Director of Growth and Matthew Law as Non-Executive Director
- New client wins including Panasonic, Vodafone, BBC, Pernod Ricard, Suntory, IMV Box and World Dodgeball Federation
- Acquisition and successful integration of certain assets of The Hook Group Limited ("The Hook"), one of the largest youth-focused media groups with over 14 million followers across social media including almost 1 million followers on TikTok
- Successful revenue diversification across social platforms with content now distributed across Snapchat, TikTok, Facebook, Instagram and YouTube
- Growth in YouTube revenues of 16.9% to £6.2 million, compared to £5.3 million in 2019
- Renewed focus around the Group's 3 key pillars of a social marketing agency, a network of YouTube channels that we manage on behalf of our partners, and a portfolio of social first media brands
- Rationalisation completed to align with refined Group proposition and reduce cost base, with monthly staff costs (before bonuses and restructuring costs) reduced by 50% from the start of 2020

* Adjusted EBITDA is a non-IFRS measure that the Group uses to measure its performance and is defined as earnings before interest, taxation, depreciation and amortisation and after add back of costs related to restructuring, acquisitions and share based payments.

Chairman's Report

2020 was a year of two halves, with the fallout from the pandemic presenting our business with a number of challenges. Marketing and advertising budgets are often one of the first things to be cut in times of economic uncertainty and very quickly we saw the volume and value of programmatic advertising on our media network fall sharply. Similarly, many of our existing clients paused, deferred or cancelled scheduled projects leaving us with a reduced pipeline of work. The first half of the year therefore saw YoY revenues down significantly and an adjusted EBITDA loss of £0.4 million (H1 2019 adjusted EBITDA profit of £0.2 million).

Despite what was an incredibly tumultuous few months between March and June, our people and business displayed incredible resilience throughout. We acted quickly to meet the requirements of the new normal by reducing headcount and by working closely with suppliers to reduce costs and conserve cash. We implemented new processes and tools that allowed our staff across the UK and Singapore to work from home safely and effectively. At the same time, we refined our Group proposition to focus on three core areas for sustainable growth: our social marketing agency; our network of YouTube channels that we manage on behalf of more than 600 partners and our portfolio of social-first media brands.

Alongside the repositioning and restructuring of the Group, we saw an opportunity to acquire the assets of The Hook, a leading social media and marketing business. Launched in 2014, The Hook has grown rapidly into one of the largest youth-focused media groups in the UK partnering with global brands to create high-quality social content. With over 14 million followers across all of the major social platforms, The Hook's namesake entertainment and comedy channels are renowned for standout original content covering all areas of popular culture. With its highly engaged millennial and Gen Z audiences, The Hook has quickly become one of our flagship media properties and a platform from which to grow our media network and digital content studio.

With a refined proposition and a leaner and more agile operating model we entered the second half of the year in a much stronger position. We quickly found that whilst marketing budgets were some of the first things to be cut by businesses going into lockdown, digital marketing specifically became one of the first things businesses returned to (and even increased) as soon as economies began to stabilise. Whereas traditional marketing campaigns (TV, print, outdoor) take months to plan and execute, digital marketing can be delivered much more rapidly, making it more effective for clients looking to adapt quickly and leverage data to navigate the global context.

Our social marketing agency won and delivered a number of campaigns for new global clients including Panasonic, Vodafone, Pernod Ricard and Lark, part of ByteDance. As well as consulting brands on how to navigate the social landscape and helping to manage media budgets across the various social platforms, we have developed a new and compelling offering centred around influencer marketing. This is a new and growing form of social media marketing that involves endorsements and product placements from 'influencers' or people that have a purported level of knowledge or social influence in their field. Our social marketing agency is now well placed to benefit from clients moving their advertising and marketing budgets away from traditional channels and into digital and social channels, a trend that has been accelerated by COVID-19 and the digitisation of services. By combining social strategy and content production with social media management and performance-lead influencer marketing, we now have the ability to win and deliver large scale projects that have a big impact on the top and bottom line, as well as the opportunity to work with clients on a longer-term basis and build out a base of recurring income.

Across our own media network and portfolio of managed YouTube channels, we launched a slate of new programming, signed new contracts and renewed existing ones. The Hook released a new original content series called 'Sex Drive' featuring well-known Love Island and Netflix stars. The series, an intergenerational comedy that explores modern relationships through a series of Carpool Karaoke-style conversations between millennial celebrities and a family member, grossed millions of views across Facebook and Instagram. On Snapchat, we grew our portfolio of shows, launching the celebrated 'Art Ink' series and increased the number of episodes we release every week for a number of our shows. We renewed contracts with some of our biggest YouTube partners including Link Up TV, PGA Tour and Alofoke Group giving us a base of reoccurring income and a platform from which to grow and develop our YouTube business further.

The results for the second half of the year, including generating positive cashflow of over £0.6 million and an adjusted EBITDA of £0.5 million, mark encouraging progress for Brave Bison as we build a media and marketing group for the future. The Group is well capitalised, led by an experienced and committed management team, and is positioned well to benefit from the growth in digital advertising and the proliferation of social content over the next decade. As well as growing organically, we are excited at the prospect of expanding our Group via targeted acquisitions that would enhance our digital capabilities for clients and broaden our media network across new audiences and platforms. Brave Bison is an attractive platform for those entrepreneurs and founders looking to scale their companies and it is clear we are open for business. We look forward to making progress in 2021 and beyond.

Oliver Green
Executive Chairman, Brave Bison Group plc

CFO's Report

Trading Results

The Group's primary activity is that of a digital media and marketing group. Within this we recognise two main revenue streams. Firstly, there is advertising revenue on our portfolio of social-first media brands, as well as from third party channels that we manage on YouTube. Secondly, there are fee-based revenue streams from our social marketing agency, consisting of revenue from branded content and influencer campaigns, as well as licensing our existing content.

2020 has been a year of change for Brave Bison, against a challenging backdrop of the global pandemic and corresponding reductions in advertising budgets. The refreshed Board and management team have been able to react quickly to these challenges, restructuring the business in keeping with a renewed operational focus and delivering a leaner and more nimble operation. This has meant we have been able to deliver an adjusted EBITDA profit of £0.1 million (2019: £0.4 million loss) for the year.

Our revenue decreased by 14% to £14.5 million (2019: £16.8 million). A significant proportion of the decrease related to a reduction in revenue from Facebook to £4.1 million (2019: £6.4 million). Revenues from Facebook decreased sharply from April 2019 as a result of a change in Facebook's monetisation policies, so 2020 is the first year that the full impact of that is evident. We have since diversified across an increased number of platforms which will help reduce our exposure to events such as platform policy changes in the future. This diversification is also delivering strong revenue growth on Snapchat, where revenues have increased almost ten-fold to £2.7 million (2019: £0.3 million). Other platforms such as Tiktok and Instagram are yet to be monetised, but we have significantly grown our presence on these platforms and will be well positioned to grow revenues accordingly once monetisation is rolled out.

Advertising revenue from YouTube channel management services was impacted by the pandemic in April and May of 2020, but we were pleased to have seen a better than expected recovery in the second half of the year. Overall, we saw growth in our YouTube related revenue of 16.9% to £6.2 million (2019: £5.3 million). This is despite our high number of sports related clients who were unable to run events for large parts of the year, and is a testament to the ability of our team to adapt their channel management strategy to the circumstances.

Our fee-based revenue stream reduced to £1.4 million (2019: £4.4 million). The majority of these revenues have historically been driven out of our APAC office, and this was impacted heavily from the beginning of the year by the pandemic. We had a number of expected projects that were in the travel and tourism industries, and a number that were tied to the Tokyo Olympics, and as a result we saw a high proportion of our clients postpone or reduce spend. We did however win some exciting clients during the year such as Panasonic and Lark (part of ByteDance), and we expect this region to recover in 2021.

Gross profit has decreased by 23% (£1.2 million) to £4.0 million (2019: £5.2 million) in line with the reduction in overall revenues. The gross profit margin has reduced slightly, primarily because a lower proportion of the revenue is fee based, which has higher gross profit margins than the advertising revenue from platforms.

The Group has incurred restructuring costs during the year of £0.7 million (2019: £0.6 million), predominantly as a result of changes in executive staffing. Administration costs dropped significantly as a result to £5.2 million from £6.6 million, meaning that despite the reduction in revenues, the loss before tax reduced to £2.3 million (2019: £3.5 million loss). This can be analysed as follows:

For the year ended 31 December 2020

	2020 £000's	2019 as restated £000's
Adjusted EBITDA	**133**	**(410)**
Restructuring costs	(718)	(649)
Loss on disposal of foreign subsidiary	-	(509)
Equity settled share based payments	7	(165)
EBITDA	**(578)**	**(1,733)**
Finance costs	(61)	(22)
Finance income	4	85
Impairment charge	(248)	(757)
Depreciation	(527)	(178)
Amortisation	(848)	(649)
Loss before tax	**(2,258)**	**(3,254)**

Adjusted EBITDA is a non-IFRS measure that the Group uses to measure its performance and is defined as earnings before interest, taxation, depreciation and amortisation and after add back of costs related to restructuring, acquisitions and share based payments. It should be noted that a portion of the property costs in both 2020 and 2019 fall into the finance costs and depreciation lines as a result of the introduction of IFRS 16 'Leases'. If the adjusted EBITDA was amended to factor in these costs then this would show an adjusted EBITDA loss of £0.4 million (2019: £0.6 million loss).

There has been a prior year adjustment of £0.5 million relating to foreign subsidiaries which were liquidated in 2019. This represents a correction of the treatment of the balance in the retranslation reserve of these entities which IAS 21 states needs to be moved to the face of the income statement upon liquidation. There was also an adjustment of £0.3 million to opening reserves in 2019 relating to subsidiaries liquidated in 2018.

The impairment charge of £0.2 million (2019: £0.8 million) relates to the right of use asset, which has reduced in value as a result of the pandemic and resulting lockdown meaning that the office cannot be used. We expect the charges in 2021 for the rest of the lease term (until the end of September 2021) to be commensurate with what we expect from any new lease arrangements after that date.

The amortisation charge includes £0.8 million relating to customer relationships where we amended the estimate of the useful economic life of these assets to 5 years rather than 10 years as the Directors felt this was a more accurate reflection of the average length of a customer relationship in our industry.

Statement of Financial Position

The Group ended the year with £2.8 million in cash and cash equivalents (2019: £4.2 million). The Group had cash outflow of £1.5 million in 2020 (2019: £1.1 million outflow). The Group was cashflow positive in the second half of 2020 (£0.6 million cash inflow), and will be looking to maintain positive cashflow in 2021.

The Group is carrying intangible assets of £0.1 million (2019: £0.8 million). The Group capitalised spend of £0.2 million (2019: £0.3 million) on the purchase of the social media assets of The Hook, a youth-focused social media brand, which gives us an enhanced presence on all major social media platforms, with over 14 million followers.

Key performance indicators

	2020 £000's	2019 £000's
Revenue	14,486	16,813
Operating loss	(2,201)	(2,790)
Cash and cash equivalents	2,754	4,249
Adjusted EBITDA	133	(410)
EBITDA	(578)	(1,733)

Employees

Headcount at year-end including contractors has decreased to 44 (2019: 70) as a result of the restructuring. Of these 24 were male and 20 were female. Of the senior members of management, 4 were male and 3 were female.

Section 172 compliance

Section 172 of the Companies Act 2006 requires the Directors to act in a way that they consider would be most likely to promote the success of the Group for the benefit of its members as a whole, and in doing so have regard to the various stakeholders. Our key stakeholders, and the way in which we engage with them are set out below.

Investors
Details of our approach towards investor relations are set out in the Statement of Corporate Governance. The Board are in regular communication with the major shareholders, and the Company's Annual General Meeting is open to all shareholders.

Employees
We encourage openness and communication throughout the Group, and are committed to being a responsible employer. We hold monthly meetings for all employees where we communicate key events and decisions, and all staff have clear objectives and regular meetings with their line manager.

Platforms
We have a dedicated member of staff to manage our relationships with the various social media platforms that we work with. We have regular meetings with them, and have adapted in response to any shifts in their policies.

Clients
We work closely with all our clients from the brands who commission content, to the owners of the YouTube channels that we manage.

Suppliers
We are committed to treating our suppliers fairly and conducting business in an ethical fashion.

Social and Environment
As far as the directors of the Group are aware, the Group's business does not cause a disproportionately adverse impact on the environment. Further details of our social and environmental initiatives are set out within the Company's Statement of Corporate Governance.

Philippa Norridge
Chief Financial Officer, Brave Bison Group plc

Principal risks and uncertainties

Industry risk
The Group operates within competitive markets. The Board believes that it has adopted a competitive business strategy. However, the Group's business, results, operations and financial condition could be materially adversely affected by the actions of its competitors and suppliers. The Group's competitors could bring superior scale, better known brands, deeper experience or more compelling products to bear against the Group's existing and potential business. Intense competition could increase pricing pressure in the market, manifested, for example, through declining revenue shares, or increased reliance on the payment of advances ahead of commercial deals. If the Group is not able to compete successfully against existing or future competitors, its competitive position, business, financial condition and results of operations may be adversely affected.

The Group operates its business using large international technology platforms that it does not own and which are subject to external factors beyond its control. An example of this is the change to Facebook policy which resulted in the demonetisation of some of our pages in 2019. Such things happen from time to time in the sectors in which the Group operates and could therefore impact upon the Group. With advertising revenues from these platforms representing 90% of 2020 total revenues, the Group is vulnerable to such industry risks. In order to mitigate these risks, the Group is diversifying across a number of different platforms and maintaining close relationships with the platforms.

Technological innovation is progressing quickly and the Group may fail to keep pace or make the wrong choices
Customer preferences across the breadth of the Group's platform and commercial offerings are subject to fast and relatively unpredictable change, as advances in technology progress. Recent changes have included proliferation of device types, operating systems, video formats and delivery methods. Further changes are difficult to predict. If the Group fails to adapt sufficiently quickly to any changes, there is a risk that revenue will be lost and ultimately that its proposition will become less competitive in the market. Technology may progress to the point that in-house bespoke solutions become so efficient to build and adapt that the Group's proposition may become obsolete, which would materially adversely affect the Group's business, financial condition and/or operating results.

Failure to retain key executives, officers, managers and technical personnel could adversely affect the Group's operating and financial performance

Retaining and motivating technical and managerial personnel is a critical component of the future success of the Group's business. The departure of, or inability to replace quickly, any of the Group's relatively small number of executive officers or other key employees could have a negative impact on its operations. In the event that future departures of employees occur, the Group's ability to execute its business strategy successfully, or to continue to provide services to its customers and users or attract new customers and users, could be adversely affected. The performance of the Group depends, to a significant extent, upon the abilities and continued efforts of its senior management. The loss of the services of any of the key management personnel or the failure to retain key employees could adversely affect the Group's ability to maintain and/or improve its operating and financial performance.

The Group cannot be certain that it will maintain operating cashflow generation
Any adverse events relating to the Group's business, a significant delay in the introduction of anticipated new revenue streams, or a shortfall in such revenue streams in relation to the Group's expectations, would have an immediate adverse effect on the Group's business, operating results and financial condition. Whilst the Group has made significant progress in diversifying its revenue streams and making significant cost savings in order to return to operating cashflow generation in the second half of 2020, there can be no assurance that the Group will be able to maintain this in the event of a revenue downturn to generate positive cashflows in any future period. The Group is subject to the risks inherent in the operation of a small and evolving business. It may not be able to successfully address these risks.

Intellectual property risk
The Group's ability to compete effectively is highly dependent on its ability to protect its software, commercial offerings and trade secrets from unauthorised use. Brave Bison believes that it has taken appropriate measures to protect itself to date (including copyrights, trademarks, non-disclosure agreements, etc.). However, the protection provided by these intellectual property rights, confidentiality and contractual restrictions is limited and varies between the UK and other countries. There can be no guarantee that these protections may be adequate to prevent competitors from taking commercial advantage of unauthorised disclosure of the Group's sensitive business information. Similarly, these protections may not prevent competitors from copying, reverse engineering or independently re-creating the Group's products, services and technologies to create similar offerings.

In addition, as the volume of content that the Group distributes increases, claims relating to ownership of content may increase. Any claims, regardless of their merit, could be expensive and time-consuming to defend.

Since its inception, the Group has prioritised protection of its Intellectual Property, primarily that generated by its staff. Robust employment contracts protect internally generated IP whilst commercial contracts as well as non-disclosure contracts protect the Group's IP from external parties. The Group does not sell or distribute its software, thereby making reverse engineering more difficult.

Brexit
There remains uncertainty around the impact of Brexit now the transition period is over. This could adversely impact the United Kingdom's economy and make it harder to attract skilled workers from the European Union. The Group is partially insulated against any downturn in the United Kingdom advertising market by the fact that the majority of the Group's Facebook and YouTube views are from outside of the United Kingdom.

Coronavirus
The outbreak of the Coronavirus globally may continue to have an adverse impact on revenues. This could be either due to delays to production of branded content, or as a result of it impacting on our clients' and advertiser's marketing budgets. We continue to monitor and update forecasts constantly as the situation develops.

There is also the risk of disruption if there are any employees who are taken sick, or as a result of lockdowns. There are business continuity plans in place and being continually updated as a result of the latest guidance and developments. We have shown that we can manage content production despite lockdowns, and as a business we are able to function effectively with all employees working from home.

Financial risk management
The Group's financial instruments comprise cash and liquid resources and various items, such as trade receivables and trade payables that arise directly from its operations. The principal financial risks faced by the Group are foreign currency, credit and liquidity risks. The policies and strategies for managing these risks are summarised below.

Foreign currency risk
Transactional foreign currency exposures arise from both the export of services from the UK to overseas clients, and from the import of services directly sourced from overseas suppliers. The Group is primarily exposed to foreign exchange in relation to movements in sterling against the US Dollar, Singapore Dollar and Euro. The Group does not use derivatives to hedge translation exposures. All gains and losses are recognised in the income statement on translation at the reporting date.

For the year ended 31 December 2020

Credit risk
The Group's principal financial assets are cash and cash equivalents and trade and other receivables. Whilst the Group had two clients during 2020 whose revenue accounted for over 10% of total revenue these self-bill and pay monthly which limits the credit risk. The Group, by policy, routinely assesses the financial strength of its clients. The Group has no significant concentration of credit risk at the balance sheet date and continues to monitor and manage its exposure. The maximum exposure to credit risk is that shown within the balance sheet. All amounts are short term and management consider the amounts to be of good credit quality.

Liquidity / funding risk
The Group's funding strategy is to ensure a mix of funding sources offering flexibility and cost effectiveness to match the requirements of the Group. Operating subsidiaries are financed by the Group. The Group is primarily funded through equity finance provided by the shareholders.

The Strategic Report was authorised for issue by the Board of Directors on 27 April 2021 and was signed on its behalf by:

Oliver Green
Executive Chairman, Brave Bison Group plc

Report of the Directors

The directors are pleased to present their report to shareholders and the audited financial statements for the year ended 31 December 2020.

The preparation of the Group's financial statements is in compliance with IFRS as adopted by the European Union and gives a true and fair view of the assets, liabilities, financial position and loss of the Group. The Group financial statements consolidate the financial statements of Brave Bison Group plc and its subsidiaries.

Results and dividends

The results for 2020 are set out in the consolidated income statement and consolidated statement of comprehensive income.

The directors do not propose payment of a dividend for 2020 (2019: £nil).

Review of the period

A comprehensive analysis of the Group's progress and development is set out in the Strategic Report. This analysis includes comments on the position of the Group at the end of the financial period.

Significant events

Paul Marshall resigned as a non-executive director effective 20 January 2020.

Miriam Mulcahy resigned as a non-executive director effective 31 January 2020.

Paul Campbell White resigned as Chief Financial Officer on 4 February 2020.

Philippa Norridge was appointed as Chief Financial Officer on 5 February 2020

Matthew Law was appointed as a non-executive director on 17 February 2020.

Kate Burns resigned as Chief Executive Officer on 11 June 2020.

Significant shareholdings

As at 31 December 2020, the following investors held more than 3% of the issued shares in the capital of Brave Bison Group Plc:

Shareholder	Number of Shares	% of Total Issued Share Capital
Tangent Marketing Services Limited *	167,468,473	27.3%
James Russell DeLeon+	97,132,017	15.9%
CIP Merchant Capital Limited	71,846,407	11.7%
Simon Davies	47,700,000	7.8%
MMC Ventures	31,308,377	5.1%

* Of these Shares, 166,416,059 are held by Tangent Marketing Services Limited, and 1,052,414 are held by Oliver Green (director and shareholder of Tangent Marketing Services Limited)

+ Of these Shares, 30,000,000 are held in James Russell DeLeon's own name, 56,014,648 are held by Vesuvius Limited and 11,117,369 are held by Plum Tree Limited. James Russell DeLeon is the ultimate controlling party of Vesuvius Limited and Plum Tree Limited.

The directors' interests are shown in the remuneration report.

Related party transactions

Details of all related party transactions are set out in Note 28 to the Financial Statements.

Corporate governance

The Directors' statement on Corporate Governance is set out on pages 17 to 22 and forms part of this report.

Going concern assessment

The consolidated financial statements have been prepared on the going concern basis on the assumption that the Group continues in operational existence for the foreseeable future.

The Directors have prepared detailed cash flow projections ("the Projections"), for at least twelve months from the date of approval of these financial statements, which are based on their current expectations of trading prospects, and accordingly the Directors have concluded that it is appropriate to continue to adopt the going concern basis in preparing these financial statements. Further information is provided in Note 2.1 of these Financial Statements.

The Directors are confident that the Group's forecasts are achievable, and are committed to taking any actions available to them to ensure that any shortfall in forecast revenues is mitigated by cost savings.

Accordingly the going concern basis of accounting has been adopted in preparing these consolidated financial statements.

Strategic outlook

The Board believes that the refreshed strategic focus on the 3 key pillars of our social marketing consultancy, our network of YouTube channels which we manage on behalf of clients, and our portfolio of social first media brands will deliver long term value for the Group.

Directors

The directors, who served during the year, were as follows:

Oliver Green	
Paul Marshall	Resignation effective 20 January 2020
Miriam Mulcahy	Resignation effective 31 January 2020
Paul Campbell-White	Resignation effective 4 February 2020
Philippa Norridge	Appointed 5 February 2020
Matthew Law	Appointed 17 February 2020
Kate Burns	Resignation effective 11 June 2020

At the year end, two of the Company's Directors are male and one is female.

Statement as to disclosure of information to auditors

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

Auditors

Moore Kingston Smith LLP were appointed as auditors on 23 November 2020 and, having expressed their willingness to continue in office, will be proposed for reappointment at the forthcoming Annual General Meeting in accordance with section 489 of the Companies Act 2006.

On behalf of the Board

Oliver Green
Executive Chairman, Brave Bison Group plc

Statement of Directors' Responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group financial statements in accordance with International Financial Reporting Standards IFRS as adopted by the European Union and elected to prepare the parent Group financial statements in accordance with the FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. 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 Group and of the profit or loss of the Company and Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable IFRS/UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 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 Group and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

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

Oliver Green
Executive Chairman, Brave Bison Group plc

Statement on Corporate Governance

Brave Bison Group plc ("Brave Bison", "Group", or the "Company") formally adopted the Quoted Companies Alliance Corporate Governance Code (the Code) in July 2018. The Company is committed to maintaining and promoting robust corporate governance structures and processes to support its long-term success.

The statement set out below describes the corporate governance principles applied by the Group.

The Board constitution and procedures

As at 31 December 2020, the Board comprised the following: (i) the Executive Chairman, Oliver Green who was appointed as a Non-Executive Director on 20 December 2019, interim Chairman from 31 December 2019, and Executive Chairman from 11 June 2020; (ii) the Chief Financial Officer, Philippa Norridge, who was appointed as interim Chief Financial Officer on the 5 February 2020 and who became permanent on 1 May 2020; and (iii) a Non-Executive Director Matthew Law, who was appointed on 17 February 2020. Matthew Law is considered to be an independent Non-Executive Director.

As previously stated by Brave Bison, the Company intends to appoint a further independent Non-Executive Director in due course.

The Company and major shareholder Tangent Marketing Services Limited have entered into a Relationship Agreement which outlines the principles of any transactions or interactions between them and those Directors who are Directors of both companies.

The Group's Chief Financial Officer Philippa Norridge has served as the Group's Company Secretary since 4 September 2020.

Board operation

Oliver Green is serving as Executive Chairman, following the resignation of Kate Burns as Chief Executive Officer on 11 June 2020.

Executive Chairman

The Executive Chairman provides leadership to the Board. Working together with the Company Secretary, the Executive Chairman is responsible for setting the agenda for Board meetings, ensuring that the Board receives the information that it needs to properly participate in Board meetings in a timely and user-friendly fashion and that the Board has sufficient time to discuss issues on the agenda.

The Executive Chairman is also responsible for leadership of the Company's senior management team and its employees on a day to day basis. In conjunction with senior management, the Executive Chairman is responsible for the execution of strategy approved by the Board and the implementation of Board decisions.

How the Board functions

The Board is collectively responsible for the long-term success of the Group. The Board provides entrepreneurial leadership for Brave Bison within a framework of prudent and effective controls which enables risk to be assessed and managed. The Board considers the management team's proposals for strategy and, following a consideration of those proposals, determines Brave Bison's strategy and ensures that the necessary resources are in place for management to execute that strategy. Further details on Brave Bison's business model and strategy can be found within the Strategic Report on pages 3 – 8 of this document.

An important part of the Board's role is the review of management performance. The Company's process for evaluating the effectiveness of the Board and Directors' performance comprises an annual internal review of executive and non-executive directors' performance and a triennial review of Board performance by external providers. The results of such reviews are used to determine whether any alterations are needed or whether any additional training would be beneficial.

During 2020 the Board met on 10 occasions, the Remuneration Committee met on 2 occasions and the Audit Committee met on 2 occasions.

Non-Executive Directors are required to devote at least 2 days (on average) per month to their directors' duties whereas Executive Directors are full time employees of the Company.

The table below shows the number of meetings attended by each director during 2020.

Director	Board Meetings	Remuneration Committee Meetings	Audit Committee Meetings
Oliver Green	10		1
Paul Marshall*	1		
Miriam Mulcahy**	1		
Paul Campbell White***	1		
Philippa Norridge****	9		
Matthew Law*****	9	2	2
Kate Burns******	6		

* Resignation effective 20 January 2020
** Resignation effective 31 January 2020
*** Resignation effective 4 February 2020
**** Appointed 5 February 2020
***** Appointed 17 February 2020
****** Resignation effective 11 June 2020

Board meetings are usually held at Brave Bison's registered office. Directors are provided with comprehensive background information for each meeting and all directors have been able to participate fully and on an informed basis in the Board decisions. In addition, certain members of the senior management team have been invited to attend the whole or parts of the meetings to deliver reports on the business. Any specific actions arising during meetings are agreed by the Board and followed up and reviewed at subsequent Board meetings to ensure their completion.

During the year, the Board has not sought external advice on any significant matters, however the Board has advisors at its disposal should such matters arise, including, without limit, the Company's nominated adviser and broker, lawyers and other professional advisors.

Responsibility and delegation

The Board has specifically reserved a number of matters for its consideration and approval. These include:

- Overall leadership of Brave Bison and setting Brave Bison's values and standards
- Approval of Brave Bison's long-term objectives and commercial strategy
- Approval of the annual operating and capital expenditure budgets and any changes to them
- Major investments or capital projects
- The extension of Brave Bison's activities into any new business or geographic areas
- Any decision to cease any material operations
- Changes in Brave Bison's capital structure or management and control structure
- Approval of the annual report and accounts and preliminary and half-yearly financial statements
- Approval of treasury policies, including foreign currency exposures and use of financial derivatives
- Ensuring the maintenance of a sound system of internal control and risk management (further details of which are included in the Risks and Uncertainties section of the Strategic Report on pages 9-11 of this document)
- The entering into of agreements that are not in the ordinary course of business or material strategically or by reason of their size
- Changes to the size, composition or structure of the Board and its committees

The Board has delegated certain of its responsibilities to committees. During the year under review the committees were constituted as follows:

- The Audit Committee, comprising Paul Marshall until 20 January 2020, Oliver Green until 11 June 2020, and Matthew Law (Committee Chair) from 17 February 2020; and
- The Remuneration Committee, comprising Oliver Green until 11 June 2020, and Matthew Law (Committee Chair) from 17 February 2020.

The Terms of Reference for each of the committees are available to view on Brave Bison's website: www.bravebison.io/investors/corporate-governance. Owing to the size and business of the Company, the Board does not consider it appropriate or beneficial to shareholders to include an Audit Committee report in this document. The report from the Remuneration Committee can be found on pages 23 – 26 of this document.

Board tenure

Oliver Green was appointed as a director of Brave Bison Group plc by the Board after the 2020 AGM which was held on 17 June 2020. He is therefore retiring in accordance with article 30.2 of the Company's articles of association and, being eligible, is offering himself for reappointment as a director at the AGM to be held in 2021.

Philippa Norridge was appointed as a director of Brave Bison Group plc by the Board after the 2020 AGM which was held on 17 June 2020. She is therefore retiring in accordance with article 30.2 of the Company's articles of association and, being eligible, is offering herself for reappointment as a director at the AGM to be held in 2021.

Matthew Law was appointed as a director of Brave Bison Group plc by the Board after the 2020 AGM which was held on 17 June 2020. He is therefore retiring in accordance with article 30.2 of the Company's articles of association and, being eligible, is offering himself for reappointment as a director at the AGM to be held in 2021.

The Board has collectively agreed that the directors proposed for re-election have made significant contributions to the business and have key roles to play in determining Brave Bison's future strategy.

Insurance and indemnity

In accordance with Article 54 of the Brave Bison's articles of association, Brave Bison's directors and officers are entitled to an indemnity from Brave Bison against liabilities incurred by them in the actual or purported exercise of their duties, or exercise of their powers including liability incurred in defending any proceedings (whether civil or criminal) which relate to anything done or omitted to be done and in which judgment is given in his favour, or in which he is acquitted, or which are otherwise disposed of.

In addition, Brave Bison has purchased and maintains directors' and officers' liability insurance cover against certain legal liabilities and costs for claims incurred in respect of any act or omission in the execution of their duties and which has been in place throughout the year.

Board balance

The Board comprises individuals with wide business experience gained in various industry sectors related to Brave Bison's business and it is the intention of the Board to ensure that the balance of the directors reflects the changing needs of that business. The Board considers that it is of a size and has the balance of skills, knowledge, experience and independence that is appropriate for Brave Bison's business. While not having a specific policy regarding the constitution and balance of the Board, potential new directors are considered on their own merits with regards to their skills, knowledge, experience and credentials. Female candidates or candidates from any particular ethnic or national background would each be considered equally.

The Non-Executive Director contributes his considerable experience and wide-ranging skills to the Board and provide a valuable independent perspective; where necessary constructively challenging proposals, policy and practices of executive management. In addition, the Non-Executive Director has assisted in formulating Brave Bison's strategy from an independent perspective.

Oliver Green (Executive Chairman) has worked in digital marketing and technology for the last eight years across a range of sectors including FMCG, Technology, B2B and Automotive. Oli most recently worked as Chief Executive Officer at Tangent Marketing Services Limited, a Top 100 digital marketing agency. Clients have included Amazon, Sky, PepsiCo, SAP, IWG, Carlsberg and Group PSA. Oli has advised on strategy across projects such as digital transformation, conversion rate optimisation and social marketing. Oli was recently listed on Campaign US' annual #MediaWeek 30 under 30 for 2020.

Philippa Norridge (CFO and Executive Director) has a wealth of relevant experience, having spent the last 16 years working in the media and marketing services sector. After graduating from Oxford University, Philippa went on to qualify as a chartered accountant with Kingston Smith (now Moore Kingston Smith), leading audits and projects in their specialist media and marketing division. Philippa has since held senior finance roles at a number of marketing services firms, including Finance Director at leading independent agency Albion Brand Communications and global agency group MullenLowe Profero.

Matthew Law (Non-Executive Director) has 20 years' experience working in brand marketing and advertising, with a particular focus on the use of emerging digital technology. Matt is currently a partner and Chief Operating Officer of Outlier Ventures which focuses on assisting business founders in the digital services sector, providing specialist advice on business strategy and continuing and maintaining growth. Prior to this, Matt worked as Global Chief Operating Officer at independent agency network AnalogFolk, which assists companies in using digital technology to advance their brands. Whilst at AnalogFolk, Matt developed the content marketing business, leading to the agency winning awards with the Webby's, Drum Content Awards, Cannes among others. He was responsible for business planning, growth, talent and expansion strategy for the network, including the launch of a new subsidiary and office in Shanghai. Matt has worked with clients including the Guardian, BBC, Vodafone, HSBC, Nike, Unilever, Pernod Ricard and Sainsbury's.

Relationship with shareholders

Primary responsibility for effective communication with shareholders lies with the Executive Chairman, but all Brave Bison's directors are available to meet with shareholders throughout the year. The Executive Chairman and Chief Financial Officer have been active in meeting with and preparing presentations for analysts and institutional investors. Brave Bison endeavours to answer all queries raised by shareholders promptly, where appropriate to do so.

Investor relations (IR) and communications

Brave Bison's Chairman has attended a number of industry conferences and regularly meets or is in contact with existing and potential institutional investors.

Whenever required, the Executive Directors and the Chairman communicate with Brave Bison's brokers to confirm shareholder sentiment and to consult on particular governance issues.

In the period since Brave Bison's admission to AIM, regulatory announcements have been released informing the market of certain Company matters. Copies of these announcements, together with other IR information and documents, are available on Brave Bison's website: www.bravebison.io.

The Company seeks to achieve the highest ethical standards and behaviours in conducting its business, with integrity, openness, diversity and inclusiveness being high priority from the Board to senior management and throughout the workforce.

We have adopted a formal equal opportunities policy which is contained in our employee handbook. The aim of the policy is to ensure no job applicant, employee or worker is discriminated against either directly or indirectly on the grounds of race, sex, disability, sexual orientation, gender reassignment; marriage or civil partnership; pregnancy or maternity; religion or belief or age.

In conducting our business and developing strategy we have placed greater emphasis on social and environmental considerations, embarking on a number initiatives including:

- setting up a social responsibility workforce that meets monthly to discuss how we as a business can improve;
- running diversity and inclusion and unconscious bias training for all staff;
- monthly 'Lunch & Learn' sessions where we have guest speakers from various sectors and backgrounds; and
- encouraging employees to take two paid days to volunteer in the local community.

Summary

In presenting this report the Board is confident that it has presented a balanced and understandable assessment of Brave Bison's position and prospects.

Oliver Green
Executive Chairman, Brave Bison Group plc

Directors' Remuneration Report

The Remuneration Committee considers and evaluates remuneration arrangements for senior managers and other key employees and makes recommendations to the Board. The purpose is to support the strategic aims of the business and shareholder interest, by enabling the recruitment, motivation and retention of key employees while complying with the requirements of regulatory and governance bodies.

The Committee's report, which is unaudited, except where indicated, is set out below.

The Committee

The Committee held two meetings during the year, both chaired by Matthew Law. Miriam Mulcahy was a member of the committee until her resignation on the 31 January 2020. The members of the Committee have no personal interest in the outcome of their decisions and give due regard to the interests of shareholders and to the continuing financial and commercial health of the business.

Remuneration policy

The policy of the Board is to attract, retain and motivate the best managers by rewarding them with competitive compensation packages linked to the Group's financial and strategic objectives. The components of remuneration for Executive Directors currently comprise base salary, benefits, bonus and participation in the Group's Share Option Plan.

Base salary

The Group aims to provide salaries which are fair and reasonable in comparison with companies of a similar size, industry, complexity and international scope. When making salary determinations, the Committee takes into account not only competitive performance but also each executive's individual performance and overall contribution to the business during the year.

Annual bonus

Bonuses are currently based on performance against the Group's strategic and financial objectives and provide for an on-target bonus opportunity subject to the achievement of financial performance targets.

Service contracts

Oliver Green

Oliver Green waived his fees during 2020. He entered into a service agreement with the Company on 9 February 2021. The terms of the agreement provide for, amongst other things, (i) salary of £50,000 per annum, payable in monthly instalments in arrears (such salary to be reviewed annually); (ii) termination upon 12 months' written notice by the Company; and (iii) surrender by Oliver Green of certain rights to intellectual property created or developed by Oliver Green whilst an employee of the Company. Oliver Green is also subject to certain restrictive covenants, which, among other things prevent him from using or disclosing confidential information otherwise than in the proper course of employment, soliciting or inducing any customers or suppliers of the Company, persuading or attempting to persuade any employee to terminate their employment with any member of the Group or being engaged, concerned or interested in any business which is in competition with the Group, with some exclusions in relation to Tangent Marketing Services Limited.

Philippa Norridge

Between 5 February 2020 and 1 May 2020 Philippa Norridge was employed by Tangent Marketing Services Limited, but was working full time as interim Chief Financial Officer for the Company and her salary of £120,000 per annum was recharged to the Company. Philippa Norridge entered into a service agreement with the Company on 1 May 2020. The terms of the agreement provide for, amongst other things, (i) salary of £120,000 per annum, payable in monthly instalments in arrears (such salary to be reviewed annually); (ii) termination upon 6 months' written notice by the Company; and (iii) surrender by Philippa Norridge of certain rights to intellectual property created or developed by Philippa Norridge whilst an employee of the Company. Philippa Norridge is also entitled to a bonus on a sliding scale of up to a maximum of 50 per cent of her base salary, upon achieving certain targets as agreed with the Remuneration Committee of the Board including revenue, EBITDA and qualitative targets. Philippa Norridge is also subject to certain restrictive covenants, which, among other things prevent her from using or disclosing confidential information otherwise than in the proper course of employment, soliciting or inducing any customers or suppliers of the Company, persuading or attempting to persuade any employee to terminate their employment with any member of the Group or being engaged, concerned or interested in any business which is in competition with the Group.

Kate Burns

Kate Burns, the Company's former Chief Executive Officer, entered into a service agreement with the Company with a commencement date of 4 April 2019. The terms of the agreement provided for, amongst other things: (i) a salary of £200,000 per annum, payable in monthly instalments in arrears (such salary to be reviewed annually); and (ii) termination upon 12 months' written notice by the Company. Kate Burns was also permitted: (a) a bonus of 50 per cent of her base salary, upon achievement of financial objectives determined by the Remuneration Committee of the Board including Group revenue and EBITDA targets; and (b) a bonus of 50 per cent of her base salary if and to the extent that the Remuneration Committee (in its absolute discretion) agreed that other qualitative pre-agreed targets had been met. Kate Burns is also subject to certain restrictive covenants, which, among other things prevent her from using or disclosing confidential information otherwise than in the proper course of employment, soliciting or inducing any customers or suppliers of the Company, persuading or attempting to persuade any employee to terminate their employment with any member of the Group or being engaged, concerned or interested in any business which is in competition with the Group.

Paul Campbell-White

Paul Campbell-White, the Company's former Chief Financial Officer, entered into a service agreement with the Company on 26 October 2017. The terms of the agreement provided for, amongst other things: (i) a salary of £140,000 per annum, payable in monthly instalments in arrears (such salary to be reviewed annually); (ii) termination upon 6 months' written notice by the Company; and (iii) surrender by Paul Campbell-White of certain rights to intellectual property created or developed by Paul Campbell-White whilst an employee of the Company. Paul Campbell-White's salary was increased to £155,000 effective 1 January 2019. Paul Campbell-White is also entitled to a bonus on a sliding scale of up to a maximum of 50 per cent of his base salary, upon achieving certain targets as agreed with the Remuneration Committee of the Board including revenue, EBITDA and qualitative targets. Paul Campbell-White is also subject to certain restrictive covenants, which, among other things prevent him from using or disclosing confidential information otherwise than in the proper course of employment, soliciting or inducing any customers or suppliers of the Company, persuading or attempting to persuade any employee to terminate their employment with any member of the Group or being engaged, concerned or interested in any business which is in competition with the Group.

Theo Green

Theo Green was a director and key employee of Brave Bison Limited and was appointed on 28 June 2020. He waived his salary during 2020. Theo Green entered into a service agreement with the Company on 9 February 2021. The terms of the agreement provide for, amongst other things, (i) salary of £50,000 per annum, payable in monthly instalments in arrears (such salary to be reviewed annually); (ii) termination upon 12 months' written notice by the Company; and (iii) surrender by Theo Green of certain rights to intellectual property created or developed by Theo Green whilst an employee of the Company. Theo Green is also subject to certain restrictive covenants, which, among other things prevent him from using or disclosing confidential information otherwise than in the proper course of employment, soliciting or inducing any customers or suppliers of the Company, persuading or attempting to persuade any employee to terminate their employment with any member of the Group or being engaged, concerned or interested in any business which is in competition with the Group, with some exclusions in relation to Tangent Marketing Services Limited.

Executive Directors

The remuneration of the Executive Directors for 2020 is detailed in the tables below:

	Salary, pension and healthcare £000's	Compensation for loss of office £000's	Bonus £000's	Aggregate Emoluments £000's
Paul Campbell-White	17	173	-	190
Kate Burns	100	214	-	314
Philippa Norridge	115	-	-	115
Oliver Green	-	-	-	-

Non-Executive Director Appointment Letter

Each Non-Executive Director entered into a letter of appointment with the Company on substantially the same terms. Non-Executive Directors are paid fees and the Company shall reimburse their reasonable, authorised and properly documented expenses that are incurred in the performance of their duties. The Non-Executive Director may be removed as a Director at any time in accordance with the New Articles or the Companies Act (for example, by a valid resolution of the Shareholders). The Company may terminate the appointment immediately in certain circumstances, such as if a material breach of obligations is committed by the Non-Executive Director.

Non-Executive Directors

The Non-Executive Directors serve under Contracts, and have received fees in 2020, as detailed in the table below:

	Fees £000's
Paul Marshall (resigned 20 January 2020)	2
Miriam Mulcahy (resigned 31 January 2020)	3
Matthew Law (appointed 17 February 2020)	27
Oliver Green (Executive Director from 11 June 2020)	-

Oliver Green has agreed to waive his fees for the period.

Share options

Under the group's share option scheme that was introduced in September 2013, employees and Directors may be awarded share options. In November 2017 the group introduced a new Restricted Share Unit ("RSU") plan under the existing EMI share option scheme.

The vesting of awards is between two and four years from the date of grant, depending on the agreement.

The interests of the Executive Directors in Ordinary Shares subject to awards under this plan as at 31 December 2020 were as follows:

	Granted during the year	Exercised during the year	Lapsed in the year	Outstanding as at 31 December 2020	Exercise prices	Vesting Dates
Kate Burns	18,165,159	-	18,165,159	-	0.1p	Apr 2019–Mar 2022
Paul Campbell-White	-	-	3,347,804	-	0.1p	Oct 2017–Oct 2020

None of the Non-Executive Directors had any interests in Ordinary Shares subject to awards under this plan as at 31 December 2020. Kate Burns' options granted during the year were committed to in 2019 and the charge was recognised accordingly.

Directors' interests

The interests of the Directors in the issued Ordinary Shares as at 31 December 2020 are as follows:

Director	Number of Ordinary Shares
Kate Burns	470,588
Paul Campbell-White	1,520,218
Paul Marshall	1,346,153
Oliver Green*	1,052,414

* Tangent Marketing Services Limited also holds 166,416,059 shares and this is a connected party to Oliver Green.

Matthew Law
Chair of the Remuneration Committee, Brave Bison Group plc

Independent auditor's report to the members of Brave Bison Group plc

We have audited the financial statements of Brave Bison Group plc for the year ended 31 December 2020 which comprises the Consolidated Income Statement and Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity, the Company Balance Sheet, the Company Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2020 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 entity's ability to continue to adopt the going concern basis of accounting included a review of the detailed cash flow projections prepared by the directors which are based on their current expectations of trading prospects and obtaining an understanding of all relevant uncertainties, including those arising as a result of the ongoing COVID-19 pandemic and the measures taken by the UK and overseas governments to contain it. We have factored the impact of COVID-19 into our analysis of the risks affecting the ability of the group to continue to trade and meet its liabilities as they fall due for at least twelve months from the date of approval of the financial statements.

Despite an overall decrease in cashflow of £1.5 million during the year ended 31 December 2020, the group achieved a positive cashflow in the second half of the year following the restructuring of the business. The cash flow projections prepared by the directors indicate that the group will continue to achieve positive cash inflows throughout 2021. Furthermore, the directors are confident that the group's cash flow projections and profit and loss forecasts are achievable, and the directors are committed to taking any actions available to them to ensure that any shortfall in forecast revenues is mitigated by cost savings.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Key audit matters

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

Key Audit Matter - Group	How the matter was addressed in the audit - Group
Incorrect revenue recognition Revenue is a significant item in the consolidated income statement and impacts a number of management's key judgements, performance indicators and key strategic indicators. There is a risk of incorrect revenue recognition due to fraud or error, arising from: - recognition of revenue in the wrong period; - revenue not being recognised in accordance with IFRS 15 'Revenue from Contracts with Customers'; and - manipulation of revenues around the year-end through management override. We therefore identified incorrect revenue recognition as a significant risk.	Our audit work included, but was not restricted to: - Evaluating the group's revenue accounting policy to check compliance with IFRS 15, included assessing the treatment of each revenue stream under the principal versus agent criteria to test appropriate gross versus net presentation. - Performing substantive testing on a sample of individual revenue transactions throughout the year across the significant revenue streams to evaluate whether revenue is recognised in accordance with the contract terms, having considered the principles of IFRS 15 and the commercial substance of the contracts. - Testing procedures included agreeing revenue transactions selected for testing through to supporting evidence including sales invoice, contracts and cash receipts. - Testing a sample of self-billing sales transactions to ensure that the revenue recognition was correct. - Reviewing material credit notes, invoices and receipts post year end. Performing sales cut off tests to ensure revenue had been recognised in the correct period. In addition, we reviewed the adequacy of the disclosures under IFRS15. **Key observations** During the audit, the directors concluded that the revenue on a specific contract had been incorrectly recognised on a net rather than a gross basis. This resulted in a material adjustment of £1,325,192 to revenue and cost of sales in the income statement. This adjustment had no impact on the profit or loss for the year. The directors considered the impact of this contract on the prior year revenue and cost of sales however they concluded that the adjustment would not influence the users of the financial statements and on this basis no adjustment was posted to restate the comparatives. From our audit testing, we did not identify any further material misstatements of revenue.

Key Audit Matter - Group	How the matter was addressed in the audit - Group
Valuation of intangible assets The directors are required to make an assessment to determine whether there are impairment indicators relating to the group's intangible assets. During the year and following a strategic review of operations carried out by the Board, management performed an impairment review in relation to the group's online channel content and customer relationship assets. During the year, the useful economic life of the customer relationship assets was reassessed and changed from 10 years to 5 years. This resulted in an additional amortisation charge of £609,000 and it was recorded in the Consolidated Income Statement for the year reducing the carrying amounts of the customer relationships intangible asset to £nil. The total net book value of the intangible assets at the year end was £144,000 The process for assessing whether impairment exists under International Accounting Standard (IAS) 36 'Impairment of Assets' is complex. The process of determining the value in use, through forecasting cash flows related to each asset and the determination of the appropriate discount rate and other assumptions to be applied, can be highly judgemental and can significantly impact the results of the impairment review. Based on the judgemental nature of an impairment review and significant impairment adjustments in prior periods, we identified impairment of intangible assets as a significant risk.	Our audit work included, but was not restricted to: - Obtaining management's analysis on their assessment of whether there were any indicators of impairment. - Critically assessing the assumptions underpinning the valuation of online channel content and customer relationship intangible assets. - Evaluating the accounting policy and detailed disclosure to check whether information provided in the financial statements is compliant with the requirements of IAS 36 and consistent with the results of the impairment review. - We considered the appropriateness of the amortisation policy for all intangible assets. **Key observations** Based on our audit work, we concluded that the group's intangible assets are not materially misstated as the year-end and that management's impairment assessment and reassessment of useful economic life is appropriate.

Key Audit Matter - Company	How the matter was addressed in the audit - Company
Impairment of investments The directors are required to make an assessment to determine whether the carrying value of the parent company's investments in subsidiaries balance of £9,088,000 is recoverable. The process for assessing whether impairment exists under Financial Reporting Standard (FRS) 102 is complex. The process of determining the value in use through forecasting cash flows and the determination of the appropriate discount rate and other assumptions to be applied can be highly judgemental and can significantly impact the results of the impairment review. Due to the complex nature of this process, we identified impairment of investments as a significant risk.	Our audit work included, but was not restricted to: - Obtaining and recalculating management's cash flow forecasts utilised in the impairment assessment; - Reviewing the board minutes, and holding discussions with management to understand the strategy for the investment and expectations going forward; - Challenging management's assumptions utilised in the impairment models, including cash flow forecasts, growth rates and discount rates; - Performing a sensitivity analysis to check whether management's forecasts would leave positive headroom if the assumptions of values increased or decreased; - Comparing the calculated value in use for the investment to the carrying value of its net assets to check that is not impaired; and - Evaluating the accounting policy and detailed disclosures to check whether information provided in the financial statements is compliant with the requirements of FRS 102 and consistent with the results of the impairment review. **Key observations** Based on our audit work, we concluded that the carrying value of the company's investment is not materially misstated at year-end and that management's impairment assessment is appropriate. In performing our audit work on investments in subsidiaries, we identified that a prior year adjustment was required to increase the carrying value of investments in subsidiaries by £7,016,978 with a corresponding increase in equity. This was as a result of share-based payment arrangements granted to employees of subsidiary undertakings not being accounted for correctly. As a result of this increase an additional impairment of £7,016,978 was also recognised as a prior year adjustment.

Key Audit Matter - Group	How the matter was addressed in the audit - Group
Going concern The global impact of the COVID-19 pandemic has led to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. Given the historic trading performance and the impact of COVID 19, going concern is considered to be a key risk area.	Our audit work included, but was not restricted to: - Reviewing the cashflow projections and profit and loss forecasts prepared by the directors. Considering sensitivities over the level of available financial resources indicated by the Group's financial forecasts taking account of reasonably possible adverse effects that could arise from these risks individually and collectively. This included critically assessing and challenging the sensitivities applied and the mitigating actions applied by management. - Reviewing post year end management accounts in comparison to the cashflow projections and profit and loss forecasts prepared by the directors. - Reviewing going concern disclosures. **Key observations** Based on our audit work, we concluded that there was no material uncertainty in relation to going concern and the disclosures made in the financial statements provide sufficient information in this area.

Other Audit Matters

Translation reserve

Several foreign subsidiaries were either liquidated or sold in the financial years ended 31 December 2018 and 31 December 2019. The foreign exchange reserve in relation to these entities was not accounted for in accordance with IAS21, where by the cumulative amount of the exchange differences relating to these subsidiaries, previously recognised in Other Comprehensive Income and accumulated in a separate component of equity, should be reclassified from equity to profit or loss when the gain or loss on disposal is recognised. This has resulted in a prior year restatement of £508,719 in 2019 to account for the loss on disposal of foreign subsidiaries. There was also a restatement of £388,920 to opening reserves in 2019 relating to subsidiaries liquidated in 2018.

Our application of materiality

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

Due to the nature of the Group we considered income to be the main focus for the readers of the financial statements, accordingly this consideration influenced our judgement of materiality. Based on our professional judgement, we determined materiality for the Group to be £115,804, based on a percentage of revenue.

On the basis of our risk assessment, together with our assessment of the overall control environment, our judgement was that performance materiality (i.e. our tolerance for misstatement in an individual account or balance) for the Group was 50% of materiality, namely £57,902.

We agreed to report to the Audit Committee all audit differences in excess of £5,790, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also reported to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

An overview of the scope of our audit

Our audit approach was a risk-based approach founded on a thorough understanding of the group's business, its environment and risk profile. We conducted substantive audit procedures and evaluated the group's internal control environment. The components of the group were evaluated by the group audit team based on a measure of materiality, considering each component as a percentage of the group's total assets, current assets, revenue and gross profit, which allowed the group audit team to assess the significance of each component and determine the planned audit response.

For those components that were evaluated as significant components, either a full scope or specified audit approach was determined based on their relative materiality to the group and our assessment of the audit risk. For significant components requiring a full scope approach, we evaluated controls by performing walkthroughs over the financial reporting systems identified as part of our risk assessment, reviewed the accounts production process and addressed critical accounting matters. We then undertook substantive testing on significant transactions and material account balances.

In order to address the audit risks identified during our planning procedures, we performed a full scope audit of the financial statements of the parent company and of the financial information of Brave Bison Limited. We performed specified audit procedures over the other component in Singapore and dormant entities.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 16, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the group and the parent company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the group and the parent company and considered that the most significant are the Companies Act 2006, International Financial Reporting Standards (IFRSs) as adopted by the European Union, UK financial reporting standards as issued by the Financial Reporting Council, and UK taxation legislation.
- We obtained an understanding of how the group and the parent company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

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

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

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

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

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

Use of our report

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

Esther Carder (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP …………………..

Chartered Accountants
Statutory Auditor

Charlotte Building
17 Gresse Street
London
W1T 1QL

For the year ended 31 December 2020

	Note	31 December 2020 £000's	31 December 2019 as restated £000's
Revenue	6	14,486	16,813
Cost of sales		(10,510)	(11,632)
Gross profit		3,976	5,181
Administration expenses		(5,211)	(6,565)
Restructuring costs	8	(718)	(649)
Impairment charge	15	(248)	(757)
Operating loss	7	(2,201)	(2,790)
Share of loss from equity accounted investment	16	-	(18)
Loss on disposal of foreign subsidiary	29	-	(509)
Finance income	9	4	85
Finance costs	9	(61)	(22)
Loss before tax	7	(2,258)	(3,254)
Analysed as			
Adjusted EBITDA		133	(410)
Restructuring costs	8	(718)	(649)
Loss on disposal of foreign subsidiary	29	-	(509)
Equity settled share based payments	24	7	(165)
EBITDA		(578)	(1,733)
Finance costs	9	(61)	(22)
Finance income	9	4	85
Impairment charge	17	(248)	(757)
Depreciation	14	(527)	(178)
Amortisation	13	(848)	(649)
Loss before tax		(2,258)	(3,254)
Income tax credit	10	227	35
Loss attributable to equity holders of the parent		(2,031)	(3,219)
Statement of Comprehensive Income			
Loss for the year		(2,031)	(3,219)
Items that may be reclassified subsequently to profit or loss			
Exchange gain /(loss) on translation of foreign subsidiaries		2	(1)
Total comprehensive loss for the year attributable to owners of the parent		(2,029)	(3,220)
Loss per share (basic and diluted)			
Basic and diluted loss per ordinary share (pence)	11	(0.33p)	(0.53p)

All transactions arise from continuing operations.

As at 31 December 2020

	Note	At 31 December 2020	At 31 December 2019 as restated	At 31 December 2018 as restated
		£000's	£000's	£000's
Non-current assets				
Intangible assets	13	144	826	1,928
Property, plant and equipment	14	151	909	60
Investment in associates	16	-	-	56
		295	1,735	2,044
Current assets				
Trade and other receivables	18	3,036	2,611	5,766
Cash and cash equivalents		2,754	4,249	5,362
		5,790	6,860	11,128
Current liabilities				
Trade and other payables	19	(4,859)	(4,758)	(7,684)
Lease Liabilities	20	(416)	(497)	-
		(5,275)	(5,255)	(7,684)
Non-current Liabilities				
Deferred tax	17	-	(142)	(183)
Lease Liabilities	20	-	(403)	-
Bank loan	21	(50)	-	-
		(50)	(545)	(183)
Net Assets		760	2,795	5,305
Equity				
Share capital	22	613	612	576
Share premium		78,762	78,762	78,762
Capital redemption reserve		6,660	6,660	6,660
Merger reserve		(24,060)	(24,060)	(24,060)
Merger relief reserve		62,624	62,624	62,624
Retained deficit		(123,988)	(121,950)	(118,896)
Translation reserve		149	147	(361)
Total equity		760	2,795	5,305

The financial statements on pages 41 to 69 were authorised for issue by the Board of Directors on 27 April 2021 and were signed on its behalf by

Philippa Norridge
Director

For the year ended 31 December 2020

	2020 £000's	2019 as restated £000's
Operating activities		
Loss before tax	(2,258)	(3,254)
Adjustments:		
Depreciation, amortisation and impairment	1,623	1,505
Finance income	(4)	(43)
Finance costs	61	22
Share based payment charges	(7)	165
Loss on disposal of foreign subsidiaries	-	509
(Increase) /decrease in trade and other receivables	(425)	3,155
Increase /(decrease) in trade and other payables	101	(2,968)
Tax received	85	(7)
Cash outflow from operating activities	(824)	(916)
Investing activities		
Purchase of property plant and equipment	-	(9)
Purchase of intangible assets	(166)	(266)
Interest received	4	43
Cash outflow from investing activities	(162)	(232)
Cash flows from financing activities		
Issue of share capital	1	36
Bank loan	50	-
Repayment of lease	(562)	
Cash (outflow) / inflow from financing activities	(511)	36
Net decrease in cash and cash equivalents	(1,497)	(1,112)
Movement in net cash		
Cash and cash equivalents, beginning of year	4,249	5,362
Decrease in cash and cash equivalents	(1,497)	(1,112)
Movement in foreign exchange	2	(1)
Cash and cash equivalents, end of year	2,754	4,249

The increase in the right-of-use asset and corresponding increase in lease liabilities in the prior year are non-cash transactions arising from the adoption of IFRS 16 Leases. The cash flow has been restated to reflect this.

For the year ended 31 December 2020

	Share Capital £000's	Share premium £000's	Capital redemption Reserve £000's	Merger Reserve £000's	Merger relief Reserve £000's	Translation Reserve £000's	Retained deficit £000's	Total Equity £000's
As restated for the period ended 31 December 2019 and 31 December 2018								
At 1 January 2019 as previously stated	576	78,762	6,660	(24,060)	62,624	(750)	(118,507)	5,305
FX reserve movement on liquidation of subsidiaries	-	-	-	-	-	389	(389)	-
At 1 January 2019 as restated	576	78,762	6,660	(24,060)	62,624	(361)	(118,896)	5,305
Shares issued during the year	36	-	-	-	-	-	-	36
Equity settled share based payments	-	-	-	-	-	-	165	165
Transactions with owners	36	-	-	-	-	-	165	201
Other comprehensive income								
FX reserve movement on liquidation of subsidiaries	-	-	-	-	-	509	-	509
Loss and total comprehensive income for the year	-	-	-	-	-	(1)	(3,219)	(3,220)
At 31 December 2019 as restated	612	78,762	6,660	(24,060)	62,624	147	(121,950)	2,795
Shares issued during the year	1	-	-	-	-	-	-	1
Equity settled share based payments	-	-	-	-	-	-	(7)	(7)
Transactions with owners	1	-	-	-	-	-	(7)	(6)
Other Comprehensive income								
Loss and total comprehensive income for the year	-	-	-	-	-	2	(2,031)	(2,029)
At 31 December 2020	613	78,762	6,660	(24,060)	62,624	149	(123,988)	760

See note 30 for details of the prior year restatement.

1 Brave Bison

Brave Bison Group plc ("the Company") (formerly Rightster Group plc) was incorporated in England and Wales on 30 October 2013 under the Companies Act 2006 (registration number 08754680) and its registered address is 79-81 Borough Road, London, SE1 1DN. On 12 November 2013 the Company entered into share exchange agreements to acquire 100% of the issued share capital of Brave Bison Limited, a company incorporated in England and Wales on 16 May 2011 and registered at the same address. On 12 November 2013 the Company was admitted to the Alternative Investment Market (AIM) where its ordinary shares are traded.

The consolidated financial statements of the Group for the year ended 31 December 2020 comprise the Company and its subsidiaries (together referred to as the "Group"). The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the CFO's Report on pages 5-8, and Risks and Uncertainties on pages 9-11. In addition, Note 26 to the financial statements includes the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and its exposure to credit risk and liquidity risk.

2 Basis of preparation

2.1. Going Concern

The financial statements have been prepared on a going concern basis, which assumes that the Group will be able to meet its liabilities as they fall due for the foreseeable future, and at least for 12 months from the date of approval of the financial statements. The Group is dependent for its working capital requirements on cash generated from operations, and cash holdings. The cash holdings of the Group at 31 December 2020 were £2.8 million (2019: £4.2 million). The Group made a loss before tax of £2.3 million for the year ended 31 December 2020 (2019: £3.3 million), and generated a decrease in cash and cash equivalents in 2020 of £1.5 million (2019: £1.1 million). The Group has net assets of £0.8 million (2019: £2.8 million).

The Directors have prepared detailed cash flow projections ("the Projections") for the period to 31 December 2021 and for the following 4 month period to 30 April 2022 which are based on their current expectations of trading prospects. The Group achieved positive cashflow of £0.6 million in H2 2020, after restructuring the business, and the Board forecasts that the Group will continue to achieve positive cash inflows in 2021 due to both the cost savings that have already been made, and the expected revenue growth.

The Directors are confident that the Group's cash flow projections are achievable, and are committed to taking any actions available to them to ensure that any shortfall in forecast revenues receipts is mitigated by cost savings.

The Directors also continue to monitor the impact of the COVID-19 pandemic, and maintain rolling forecasts which are regularly updated. While the pandemic did have an impact on revenue in the first half of 2020 as clients cut advertising budgets, advertising revenue recovered faster than anticipated in the second half of the year, and the Directors expect this to continue throughout 2021.

The Directors remain confident that the Group has sufficient cash resources for a period of at least twelve months from the date of approval of these financial statements despite the impact of the pandemic and accordingly, the Directors have concluded that it is appropriate to continue to adopt the going concern basis in preparing these financial statements.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of Brave Bison Group plc and all its subsidiary undertakings up to 31 December 2020, with comparative information presented for the year ended 31 December 2019. No profit and loss account is presented for Brave Bison Group plc as permitted by section 408 of the Companies Act 2006.

Subsidiaries are all entities over which the Group has the power to control the financial and operating policies and is exposed to or has rights over variable returns from its involvements with the investee and has the power to affect returns. Brave Bison Group plc obtains and exercises control through more than half of the voting rights for all its subsidiaries. All subsidiaries have a reporting date of 31 December and are consolidated from the acquisition date, which is the date from which control passes to Brave Bison Group plc.

Entities other than subsidiaries or joint ventures, in which the Group has a participating interest and over whose operating and financial policies the Group exercises significant influence, are treated as associates. The results of associate undertakings are consolidated under the equity method of accounting. The Group applies uniform accounting policies and all intra-group transactions, balances, income and expenses are eliminated on consolidation.

Unrealised gains and losses on transactions between Group companies are eliminated. Where recognised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a Group perspective.

Business combinations are dealt with by the acquisition method. The acquisition method involves the recognition at fair value of all identifiable assets and liabilities, including contingent liabilities of the subsidiary, at the acquisition date, regardless of whether or not they were recorded in the financial statements of the subsidiary prior to acquisition. On initial recognition, the assets and liabilities of the subsidiary are included in the consolidated statement of financial position at their fair values, which are also used as the basis for subsequent measurement in accordance with the Group accounting policies. Goodwill is stated after separating out identifiable intangible assets. Goodwill represents the excess of acquisition cost over the fair value of the Group's share of the identifiable net assets of the acquired subsidiary at the date of acquisition.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

2.2. Adoption of new and revised standards

The Group has chosen to adopt the amendment to IFRS 16 "Leases" early, and has applied this during the year:

Update to IFRS 16 "Leases"

The changes in COVID-19-Related Rent Concessions (Amendment to IFRS 16) amend IFRS 16 to:-

- provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification;
- require lessees that apply the exemption to account for COVID-19-related rent concessions as if they were not lease modifications;
- require lessees that apply the exemption to disclose that fact; and
- require lessees to apply the exemption retrospectively in accordance with IAS 8, but not require them to restate prior period figures.

Other Standards and amendments that are not yet effective and have not been adopted early by the Group include:

- IFRS 17 Insurance Contracts

- Amendments to IAS 1 - Classification of Liabilities as Current or Non-current;
- Amendments to IAS 16 - Property, Plant and Equipment: Proceeds before intended use;
- Amendments to IFRS 3 - Reference to the Conceptual Framework;
- Amendments to IAS 37 - Onerous Contracts – Cost of Fulfilling a Contract;
- Annual Improvements to IFRS Standards 2018–2020;
- Amendments to IFRS 10 and IAS 28 - Sale or contribution of assets between an investor and its associate or joint venture; and
- Amendments to IFRS 4, IFRS 7, IFRS 9, IFRS 16 & IAS 39 - Interest Rate Benchmark Reform – Phase 2.

3 Statement of compliance

The financial statements have been prepared in accordance with the accounting policies and presentation required by International Financial Reporting Standards (IFRS), and International Financial Reporting Interpretations Committee ("IFRIC") Interpretations as endorsed by the European Union. They are presented in pounds sterling. The financial statements have also been prepared in accordance with those parts of the Companies Act 2006 that are relevant to companies that prepare financial statements in accordance with IFRS.

4 Summary of accounting policies

The Group's presentation and functional currency is £ (Sterling). The financial statements are presented in thousands of pounds (£000's) unless otherwise stated.

4.1. Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of discounts and sales related taxes.

Revenue is recognised when the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity, the costs incurred or to be incurred can be measured reliably, and when the criteria for each of the Group's different activities has been met.

The determination of whether the Group is acting as a principal or an agent in a transaction involves judgment and is based on an assessment of who controls a specified good or service before it is transferred to a customer. Significant contracts are reviewed for the indicators of control. The Group is deemed to be acting as a principal in all significant contracts.

Where the Group's contractual performance obligations have been satisfied in advance of invoicing the client then unbilled income is recognised on the balance sheet. Where the Group's contractual performance obligations have been satisfied less than amounts invoiced then a contract liability is recognised.

The accounting policies specific to the Group's key operating revenue categories are outlined below:

Advertising revenue:

- Ad-funded YouTube channel management of third party content owners' videos. Revenue is recognised at the point in time when the performance obligation of delivering monetised views occurs; and
- Monetisation of the Group's owned and operated brands and videos via platforms such as Facebook and Snapchat. Revenue is recognised at the point in time when the performance obligation of delivering monetised views occurs.

Fee Based Service revenue:

- Branded Content. Managing the creation of commissioned content and being responsible for procuring the talent and the associated production costs. The Group recognises revenue in line with the contractual obligation to deliver a completed episode. Revenue is recognised at the point in time when each completed episode is delivered. Production costs are deferred on the balance sheet as contract assets until each completed episode is delivered;
- Managing customer content on platforms such as Facebook and YouTube including rights management and audience development. Revenue from providing these services is recognised over the time that the performance obligation to provide services are satisfied; and
- License fee revenues for the Group's own content and third parties' content are recognised at the point in time when the performance obligation of delivering the content is satisfied.

4.2. Interest and dividend income

Interest income and expenses are reported on an accrual basis using the effective interest method. Dividend income, other than from investments in associates, is recognised at the time the right to receive payment is established.

4.3. Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability. Government grants are presented as a deduction from the related expense.

4.4. Foreign currency translation

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Non-monetary items that are measured at historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Any exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were initially recorded are recognised in the profit or loss in the period in which they arise.

The assets and liabilities in the financial statements of foreign subsidiaries and related goodwill are translated at the rate of exchange ruling at the balance sheet date. Income and expenses are translated at the actual rate on the date of transaction. The exchange differences arising from the retranslation of the opening net investment in subsidiaries and on income and expenses during the year are recognised in other comprehensive income and taken to the "translation reserve" in equity. On disposal of a foreign operation the cumulative translation differences (including, if applicable, gains and losses on related hedges) are transferred to the income statement as part of the gain or loss on disposal.

4.5. Segment reporting

IFRS 8 *Operating Segments* requires operating segments to be identified on the same basis as is used internally for the review of performance and allocation of resources by the Group Chief Executive (chief operating decision maker – CODM).

The Board has reviewed the Group and all revenues are functional activities of a digital media and marketing group, and these activities take place on an integrated basis. The senior executive team review the financial information on an integrated basis for the Group as a whole, with respective heads of business who are geographically located and in accordance with IFRS 8 Operating Segments, the Group will be providing a geographical split. The Group will also be providing a split between the Advertising and Fee based services. Segmental information is presented in accordance with IFRS 8 for all periods presented within Note 6.

4.6. Leasing

For any new contracts entered into on or after 1 January 2019, the Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an assed (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Group assesses whether the contract meets three key evaluations which are whether:

- The contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;
- The Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- The Group has the right to direct the use of the identified asset throughout the period of use. The Group assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use is already reduced to zero.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in the profit or loss on a straight-line basis over the lease term.

On the statement of financial position, right-of-use assets have been included in property, plant and equipment and lease liabilities have been included in trade and other payables.

4.7. Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment. Depreciation is calculated to write down the cost less estimated residual value of all property, plant and equipment by equal annual instalments over their expected useful lives less estimated residual values, using the straight line method. The rates generally applicable are:

- Fixtures & Fittings – 3 years or over remaining lease term
- Computer Equipment – 3 years

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

The assets' residual value and useful lives are reviewed, and adjusted if required, at each balance sheet date. The carrying amount of an asset is written down immediately to its recoverable amount if the carrying amount is greater than its estimated recoverable amount.

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

4.8. Impairment of property, plant and equipment

At each balance sheet date, the Group reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

4.9. Intangible assets

An intangible asset, which is an identifiable non-monetary asset without physical substance, is recognised to the extent that it is probable that the expected future economic benefits attributable to the asset will flow to the Group and that its cost can be measured reliably. The asset is deemed to be identifiable when it is separable or when it arises from contractual or other legal rights.

Intangible assets acquired as part of a business combination, are shown at fair value at the date of the acquisition less accumulated amortisation. Amortisation is charged on a straight line basis through the profit or loss. The rates applicable, which represent the Directors' best estimate of the useful economic life, are:

- Customer relationships - 5 years
- Online channel content – 3 to 5 years
- Brands – 3 years
- Technology – 1 to 5 years

For customer relationships the estimate of useful economic life was revised from 10 years to 5 years during the year as the Directors felt this was a more accurate reflection of the average length of a customer relationship in our industry.

4.10. Impairment of intangible assets

At each balance sheet date, the Group reviews the carrying amounts of its intangible assets and goodwill to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

4.11. Development costs

Expenditure on the research phase of an internal project is recognised as an expense in the period in which it is incurred. Development costs incurred on specific projects are capitalised when all the following conditions are satisfied:

- Completion of the asset is technically feasible so that it will be available for use or sale;
- The Group intends to complete the asset and use or sell it;
- The Group has the ability to use or sell the asset and the asset will generate probable future economic benefits (over and above cost);
- There are adequate technical, financial and other resources to complete the development and to use or sell the asset; and
- The expenditure attributable to the asset during its development can be measured reliably.

Development costs not meeting the criteria for capitalisation are expensed as incurred. The cost of an internally generated asset comprises all directly attributable costs necessary to create, produce and prepare the asset to be capable of operating in the manner intended by management. Directly attributable costs include employee (other than Director) costs incurred along with third party costs.

Judgement by the Directors is applied when deciding whether the recognition requirements for development costs have been met. Judgements are based on the information available at the time when costs are incurred. In addition, all internal activities related to the research and development of new projects is continuously monitored by the Directors.

4.12. Investments in associates and joint ventures

Investments in associates and joint ventures are accounted for using the equity method. The carrying amount of the investment in associates and joint ventures is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture, adjusted where necessary to ensure consistency with the accounting policies of the Group.

4.13. Taxation

Tax expenses recognised in profit or loss comprise the sum of the tax currently payable and deferred tax not recognised in other comprehensive income or directly in equity.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be recognised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to recognise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset recognised based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

4.14. Financial Instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised with the Group becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Loan and other receivables

The Group accounts for loan and other receivables by recording the loss allowance as lifetime expected credit losses. These are shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. The Group uses its historical experience, external indicators and forward-looking information to calculate expected credit losses.

Trade and other payables

Trade and other payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method.

Contract assets and liabilities

The Group does not adjust the promised amount of consideration for the effects of a significant financing component if the entity expects, at contract inception, that the period between when the entity transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less.

4.15. Equity, reserves and dividend payments

Share capital

Share capital represents the nominal value of shares that have been issued.

Share premium

Share premium includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium arising on those shares, net of any related income tax benefits.

Retained deficits

Retained deficits include all current and prior period retained profits or losses. It also includes credits arising from share based payment charges.

Translation reserve

Translation reserve represents the differences arising from translation of investments in overseas subsidiaries.

Merger reserve

The merger reserve is utilised when group reconstruction accounting is applied. The difference between the cost of investment and the nominal value of the share capital acquired is recognised in a merger reserve.

Merger relief reserve

Where the following conditions are met, any excess consideration received over the nominal value of the shares issued is recognised in the merger relief reserve:

- the consideration for shares in another company includes issued shares;
- on completion of the transaction, the company issuing the shares will have secured at least a 90% equity holding in the other company.

Capital redemption reserve
Where the Company purchases its own equity share capital, on cancellation, the nominal value of the shares cancelled is deducted from share capital and the amount is transferred to the capital redemption reserve.

Dividend distributions payable to equity shareholders are included in 'other liabilities' when the dividends have been approved in a general meeting prior to the reporting date.

4.16. Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, together with other short-term highly liquid investments that are readily convertible into known amounts of cash having maturities of 3 months or less from inception and which are subject to an insignificant risk of change in value, and bank overdrafts.

4.17. Employee benefits

The Group operates two schemes on behalf of its employees, private healthcare and a defined contribution pension plan and amounts due are expensed as they fall due.

4.18. Share based payments

Employees (including Directors) of the Group received remuneration in the form of share-based payment transactions, whereby employees render services in exchange for rights over shares ('equity-settled transactions'). The Group has applied the requirements of IFRS 2 *Share-based payments* to all grants of equity instruments. The transactions have been treated as equity settled.

The cost of equity settled transactions with employees is measured by reference to the fair value at the grant date of the equity instrument granted. The fair value is determined by using the Black-Scholes method. The cost of equity-settled transactions are recognised, together with a corresponding charge to equity, over the period between the date of grant and the end of a vesting period, where relevant employees become fully entitled to the award. The total value of the options has been pro-rated and allocated on a weighted average basis.

4.19. Restructuring Costs

Restructuring costs relate to corporate re-organisation activities previously undertaken or announced, as detailed in note 8.

4.20. Prior year adjustment

The prior period financial statements have been restated to correct the loss on disposal of foreign subsidiaries and the translation reserve. Details of the restatement can be found in note 30.

5 Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements under IFRS requires the Group to make estimates and assumptions that affect the application of policies and reported amounts. Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and assumptions which have a risk of causing a material adjustment to the carrying amount of assets and liabilities are discussed below.

5.1. Critical accounting judgements

Intangible assets and impairment
The Group recognises the intangible assets acquired as part of business combinations at fair value at the date of acquisition. The determination of these fair values is determined by experts engaged by management and based upon management's and the Directors' judgement and includes assumptions on the timing and amount of future incremental cash flows generated by the assets and selection of an appropriate discount rate. Furthermore management must estimate the expected useful lives of intangible assets and charge amortisation on these assets accordingly.

Included within intangible assets are capitalised customer relationships. These were acquired as part of the acquisitions of Viral Management Limited and Base79 Limited. These assets were fully amortised during the period, as detailed in note 13. During the year the Group capitalised the costs associated with the acquisition of certain assets of The Hook, which it has estimated have a useful economic life of 5 years.

Trade debtors' recovery
Within trade debtors there is a balance of £0.7 million (2019: £0.7 million) which is over one year in age which the Group has judged it not necessary to provide for. This is because it believes it is recoverable, since there is a trade creditor balance of £0.8 million (2019: £0.7 million) with the same company, and the Group is anticipating reaching agreement that these balances may be set off against each other.

Treatment of revenue as agent or principal
The determination of whether the Group is acting as a principal or an agent in a transaction involves judgment and is based on an assessment of who controls a specified good or service before it is transferred to a customer. Significant contracts are reviewed for the indicators of control. These include if the Group is primarily responsible for fulfilling the promise to provide the good or service, if the Group has inventory risk before the good or services has been transferred to the customer and if the Group has discretion in establishing the price for the good or service. Revenue relating to Snapchat was assessed and it was determined that the Group was acting as a principal, therefore the revenue was recognised on a gross basis. This increased the revenue by £1.3 million. In 2019 Snapchat revenue was recognised on a net basis and if it had been recognised on a gross basis then the revenue would have increased by £0.3 million. The directors consider that this 2019 adjustment would not influence the users of the financial statements and on this basis the comparatives were not restated.

Deferred taxation
Deferred tax assets are recognised in respect of tax loss carry forwards only to the extent that the realisation of the related tax benefit through future taxable profits is probable.

5.2. Estimates

Share based payment charges
The Group is required to measure the fair value of its share based payments. The fair value is determined using the Black-Scholes method which requires assumptions regarding exchange rate volatility, the risk free rate, share price volatility and the expected life of the share based payment. Exchange rate volatility is calculated using historic data over the past three years. The volatility of the Group's share price has been calculated as the average of similar listed companies over the preceding periods. The risk-free rate range used is between 0% and 2.74% and management, including the Directors, have estimated the expected life of most share based payments to be 4 years.

Bad debt provision
Recoverability of some receivables may be doubtful although not definitely irrecoverable. Where management feel recoverability is in doubt an appropriate provision is made for the possibility that the amounts may not be recovered in full. Provisions are made using past experience however subjectivity is involved when assessing the level of provision required.

6 Segment Reporting

Geographic reporting

The Group has identified three geographic areas (United Kingdom & Europe, Asia Pacific and Rest of the world) and the information is presented based on the customers' location.

	2020	2019
Revenue	£000's	£000's
United Kingdom & Europe	10,022	12,135
Asia Pacific	881	3,835
Rest of the world	3,583	843
Total revenue	14,486	16,813

The Group identifies two revenue streams, advertising and fee based services. The analysis of revenue by each stream is detailed below, a detailed overview can be found in the Strategic Report.

Revenue	2020	2019
	£000's	£000's
Advertising	13,092	12,396
Fee based services	1,394	4,417
Total revenue	14,486	16,813

Gross profit	2020	2019
	£000's	£000's
Advertising	2,962	2,831
Fee based services	1,014	2,350
Total gross profit	3,976	5,181

Timing of revenue recognition

The following table includes revenue from contracts disaggregated by the timing of recognition.

	2020	2019
	£000's	£000's
Products and services transferred at a point in time	13,437	16,079
Products and services transferred over time	1,049	734
Total revenue	14,486	16,813

7 Operating loss and loss before taxation

The operating loss and the loss before taxation are stated after:

	2020	2019 as restated
	£000's	£000's
Auditor's remuneration:		
- Audit services	69	84
- Audit related services	5	10
- Tax advisory	-	1
- Tax compliance	6	12
Operating lease rentals – land and buildings on short term leases	(97)	311
Depreciation: property, plant and equipment	527	178
Impairment of intangible assets	-	719
Impairment of right-of-use asset	248	-
Impairment of associate	-	38
Amortisation	848	649
Foreign exchange loss	54	69
Loss on disposal of foreign subsidiary	-	509

8 Restructuring costs

	2020	2019
	£000's	£000's
Restructuring costs	718	649

Restructuring costs in 2020 relate to redundancy payments and associated costs in relation to the Board refresh and corporate re-organisation activities undertaken as a result. Restructuring costs in 2019 related to redundancy payments and associated costs in relation to restructuring as a result of the significant changes required due to the change in the Facebook algorithm and monetisation policy.

9 Finance income and costs

	2020	2019
	£000's	£000's
Bank interest received	4	85

	2020	2019
	£000's	£000's
Interest expense for leasing arrangements	61	22

10 Income tax credit

Major components of tax credit:

	2020	2019
	£000's	£000's
Current tax:		
UK corporation tax at 19.00% (2019: 19.00%)	-	-
Research and development tax credits	(90)	-
Overseas tax	5	6
Total current tax	(85)	6

10 Income tax credit (continued)

Deferred Tax:		
Originations and reversal of temporary differences (Note 17)	(142)	(41)
Tax credit on loss on ordinary activities	(227)	(35)

UK corporation tax is calculated at 19.00% (2019: 19.00%) of the estimated assessable loss for the year. Taxation for other jurisdictions is calculated at the rates prevailing in those jurisdictions.

The credit for the year can be reconciled to the loss per the income statement as follows:

Reconciliation of effective tax rate:

	2020 £000's	2019 as restated £000's
Loss on ordinary activities before tax	(2,258)	(3,254)
Income tax using the Company's domestic tax rate 19.00% (2019: 19.00%)	(429)	(618)
Effect of:		
Expenses not deductible for tax purposes	302	314
Fixed asset depreciation allowed under SP3/91	(145)	-
Capital allowances	(11)	-
Share scheme deduction under Part 12 CTA 2009	(2)	-
Research & development tax credits	(90)	-
Deferred tax movement	(142)	60
Unutilised tax losses carried forward	290	209
Total tax credit for period	(227)	(35)

11 Loss per share

Both the basic and diluted loss per share have been calculated using the loss after tax attributable to shareholders of Brave Bison Group plc as the numerator, i.e. no adjustments to losses were necessary in 2019 or 2020. The calculation of the basic loss per share is based on the loss attributable to ordinary shareholders divided by the weighted average number of shares in issue during the year. All share options have been excluded when calculating the basic diluted EPS as they were antidilutive. Share options are currently antidilutive, but are potentially dilutive.

	2020	2019 as restated
Weighted average number of ordinary shares	612,667,036	605,510,566
Dilution due to share options	41,367,914	41,488,760
Total weighted average number of ordinary shares	654,034,950	646,999,326
Basic and diluted loss per ordinary share (pence)	(0.33p)	(0.53p)
Adjusted basic loss per ordinary share (pence)	(0.07p)	(0.24p)
Adjusted diluted loss per ordinary share (pence)	(0.06p)	(0.23p)

11 Loss per share (continued)

	2020	2019
		as restated
	£000's	£000's
Loss for the year attributable to ordinary shareholders	(2,031)	(3,219)
Equity settled share based payments	(7)	165
Amortisation, depreciation and impairment	1,623	1,584
Adjusted profit for the period attributable to the equity shareholders	(415)	(1,470)

12 Directors and employees

The average number of persons (including Director's) employed by the Group during the year was:

	2020	2019
	Number	Number
Sales, production and operations	47	55
Support services and senior executives	11	15
	58	70

The aggregate cost of these employees was:

	2020	2019
	£000's	£000's
Wages and salaries	2,276	2,989
Payroll taxes	185	372
Pension contributions	172	208
	2,633	3,569

Director's emoluments paid during the period and included in the above figures were:

	2020	2019
	£000's	£000's
Emoluments (including compensation for loss of office)	262	664
Compensation for loss of office	387	168
	649	832

The highest paid Director received emoluments totalling £0.3 million (2019: £0.4 million). The amount of share based payments credit (see Note 24) which relates to the Directors was £0.1 million. (2019: £0.1 million charge). The key management of the Group are the executive members of Brave Bison Group plc's Board of Directors. Key management personnel remuneration includes the following expenses:

	2020	2019
	£000's	£000's
Salaries including bonuses	649	832
Social security costs	85	101
Total Emoluments	734	933

13 Intangible assets

	Goodwill £000's	Online Channel Content £000's	Technology £000's	Brands £000's	Customer Relation-ships £000's	Total £000's
Cost						
At 31 December 2018	35,075	1,602	5,213	273	19,332	61,495
Additions	-	266	-	-	-	266
At 31 December 2019	35,075	1,868	5,213	273	19,332	61,761
Additions	-	166	-	-	-	166
At 31 December 2020	35,075	2,034	5,213	273	19,332	61,927
Amortisation and impairment						
At 31 December 2018	35,075	718	5,213	273	18,288	59,567
Charge for the year	-	431	-	-	218	649
Impairment charge	-	719	-	-	-	719
At 31 December 2019	35,075	1,868	5,213	273	18,506	60,935
Charge for the year	-	22	-	-	826	848
At 31 December 2020	35,075	1,890	5,213	273	19,332	61,783
Net Book Value						
At 31 December 2018	-	884	-	-	1,044	1,928
At 31 December 2019	-	-	-	-	826	826
At 31 December 2020	-	144	-	-	-	144

During the year the Company acquired certain assets from The Hook and capitalised costs of £0.2 million. This is included above in Online Channel Content and is being amortised over five years with represents the Directors best estimate of the useful economic life.

Goodwill is not amortised, but tested annually for impairment with the recoverable amount being determined from value in use calculations.

The Company accelerated amortisation relating to customer relationships by £0.6m as the estimate of the useful economic life of these assets was reduced to 5 years rather than 10 years as the Directors felt this was a more accurate reflection of the average length of client relationship in our industry.

13 Intangible assets (continued)

The recoverable amount of the intangible assets have been determined based on value in use. Value in use has been determined based on future cash flows after considering current economic conditions and trends, estimated future operating results, growth rates and anticipated future economic conditions.

As at 31 December 2020, the intangible assets were assessed for impairment. The impairment charge was £0.0 million (2019: £0.7 million).

The estimated cash flows for a period of 5 years were developed using internal forecasts, and a pre-tax discount rate of 10%. The cash flows beyond 5 years have been extrapolated assuming nil growth rates. The key assumptions are based on growth of existing and new customers and forecasts, which are determined through a combination of management's views, market estimates and forecasts and other sector information.

14 Property, plant and equipment

	Right of Use asset £000's	Computer Equipment £000's	Fixtures & Fittings £000's	Total £000's
Cost				
At 31 December 2018	-	902	211	1,113
Additions	1,018	-	9	1,027
At 31 December 2019	1,018	902	220	2,140
Additions	17	-	-	17
At 31 December 2020	1,035	902	220	2,157
Depreciation and impairment				
At 31 December 2018	-	874	179	1,053
Charge for the year	127	22	29	178
At 31 December 2019	127	896	208	1,231
Charge for the year	514	3	10	527
Impairment charge	248	-	-	248
At 31 December 2020	889	899	218	2,006
Net Book Value				
At 31 December 2018	-	28	32	60
At 31 December 2019	891	6	12	909
At 31 December 2020	146	3	2	151

During the year the Company impaired the value of the right-of-use asset by £0.2 million. The pandemic and national lockdown has meant that the Company has not been able to make full use of the office space.

15 Impairment charge

	2020 £000's	2019 £000's
Intangible assets	-	719
Property, plant and equipment	248	-
Investment in associates	-	38
Total impairment charge	248	757

16 Investment in associates

	2020 £000's	2019 £000's
Investment in associates	-	-

The Group held a 30% stake in Rebel FC Limited at the start of the year, which had been fully impaired in 2019. Rebel FC Limited was dissolved on the 17 November 2020.

17 Deferred taxation assets and liabilities

Deferred tax recognised:

	2020 £000's	2019 £000's
Deferred tax liabilities		
Deferred tax on intangible assets	-	(142)
	-	(142)

Unutilised tax losses carried forward which have not been recognised as a deferred tax asset at 31 December 2020 were £52.6 million (2019: £49.4 million).

Reconciliation of movement in deferred tax

	Deferred tax on intangible assets £000's
As at December 2018	(183)
Recognised in the income statement	41
As at 31 December 2019	(142)
Recognised in the income statement	142
As at 31 December 2020	-

18 Trade and other receivables

	2020 £000's	2019 £000's
Trade receivables	914	1,687
Less allowance for credit losses	(40)	(59)
Net trade receivables	874	1,628
Unbilled income	1,716	545
Contract assets	-	16
Other receivables	446	422
	3,036	2,611

The contractual value of trade receivables is £0.9 million (2019: £1.7 million). Their carrying value is assessed to be £0.9 million (2019: £1.6 million) after assessing recoverability. The contractual value and the carrying value of other receivables are considered to be the same. The Group's management considers that all financial assets that are not impaired or past due are of good credit quality.

The ageing analysis of these trade receivables showing fully performing and past due but not impaired is as follows:

	2020 £000's	2019 £000's
Not overdue	156	807
Not more than three months	3	10
More than three months but not more than six months	2	-
More than six months but not more than one year	2	2
More than one year	711	809
	874	1,628

The movement in provision for impairment of trade receivables can be reconciled as follows:

	2020 £000's	2019 £000's
Opening provision	(59)	(139)
Receivables provided for during period	(40)	-
Reversal of previous provisions	59	80
	(40)	(59)

Provisions are created and released on a specific customer level on a monthly basis when management assesses for possible impairment. At each half year and year end, management will assess for further impairment based upon expected credit loss over and above the specific impairments noted throughout the year. Within trade debtors there is a balance which is over one year in age which the Group has judged it not necessary to provide for. This is because it believes it is recoverable, since there is a similar trade creditor balance with the same company, and the Group is anticipating reaching agreement that these balances may be set off against each other.

The other classes within trade and other receivables do not contain impaired assets.

Contract assets are utilised upon satisfaction of the associated contract performance obligations. The 2019 contract asset of £16,000 was recognised within cost of sales during 2020 upon satisfaction of the associated performance obligation.

19 Trade and other payables

	2020 £000's	2019 £000's
Trade payables	926	1,209
Other payables	68	72
Other taxation and social security	60	20
Contract liabilities	144	88
Accruals and deferred income	3,661	3,369
	4,859	4,758

All amounts are short term and the Directors consider that the carrying value of trade and other payables are considered to be a reasonable approximation of fair value.

The average credit period taken for trade purchases was 32 days (2019: 39 days).

Contract liabilities are utilised upon satisfaction of the associated contract performance obligations. The 2020 contract liability of £144,000 is expected to be utilised in the next reporting periods upon satisfaction of the associated performance obligation. The 2019 contract liability of £88,000 was recognised within revenue during 2020 upon satisfaction of the associated performance obligation.

20 Leases

Lease liabilities are presented in the statement of financial position as follows:

	2020 £000's	2019 £000's
Current	416	497
Non-current	-	403
	416	900

The Group entered into a two year lease for an office on 1 October 2019. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a corresponding lease liability.

20 Leases (continued)

The table below describes the nature of the Group's leasing activities by type of right-of-use asset recognised in the statement of financial position:

	No. of right-of-use assets leased	Range of remaining term	Average remaining lease term	No. of leases with extension options	No. of leases with termination options
Office building	1	1 year	1 year	-	-

The lease liabilities are secured by the related underlying assets. Future minimum lease payments at 31 December 2020 were as follows:

	Within one year	One to two years	Total
	£000's	£000's	£000's
Lease payments	432	-	432
Finance charges	(16)	-	(16)
Net present values	416	-	416

The Group has elected not to recognise a lease liability for short terms leases (leases with an expected term of 12 months or less). Payments made under such leases are expensed on a straight-line basis.

The expense relating to payments not included in the measurement of the lease liability is as follows:

	2020	2019
	£000's	£000's
Short-term leases	28	55
	28	55

The Group received a COVID-19 related rent concession during the period of £140,400. It has applied the exemption granted by the COVID-19 Related Rent Concessions (Amendment to IFRS 16) and has therefore not assessed this as a lease modification but has included it within administration expenses.

At 31 December 2020 the Group had not committed to any leases which had not yet commenced excluding those recognised as a lease liability.

21 Bank loan

	2020	2019
	£000's	£000's
Loan	50	-
	50	-

During the year the Company entered into a Bounce Back Loan Agreement which is due to be fully repaid in 2026. The repayment amount and timing of each instalment is based on a fixed interest rate of 2.5% payable on the outstanding principal amount of the loan and applicable until the final repayment date. The Company has been granted an interest and capital holiday for twelve months from the date of drawdown. The loan is unsecured.

22 Share capital

Ordinary share capital	**At 31 December 2020**		**At 31 December 2019**	
	Number	**£000's**	**Number**	**£000's**
Ordinary shares of £0.001	612,821,228	613	612,342,970	612
Total ordinary share capital of the Company		613		612

Rights attributable to ordinary shares
The holders of ordinary shares are entitled to receive notice of and attend and vote at any general meeting of the Company.

A reconciliation of the movement in share capital during the year is detailed in Note 23.

23 Reconciliation of share capital

	2020		2019	
	Ordinary Shares Number £0.0000001	Ordinary Share Capital £000's	Ordinary Shares Number £0.0000001	Ordinary Share Capital £000's
Opening balance	612,342,970	612	576,140,030	576
Issue of ordinary shares	478,258	1	36,202,940	36
Closing balance	612,821,228	613	612,342,970	612

24 Share options

In September 2013 Brave Bison Limited introduced an approved EMI share option scheme for employees. The first options were granted in September and October 2013, where options were issued in replacement for options issued under the original Brave Bison Limited unapproved scheme, vesting periods were deemed to have commenced from 30 May 2013. The replacement share options issued by Brave Bison Group plc were treated as modification of the original scheme, in accordance with IFRS 2.

Options vest as follows:
- 25% 12 months from grant date; and
- 2.08% each month commencing 13 months from grant date until the options are fully vested at the end of the four year vesting period.

In November 2017 Brave Bison Limited introduced a new Restricted Share Unit ("RSU") plan under the existing EMI share option scheme. RSUs were granted at nominal value in 2017 which vest monthly on a straight-line basis between 2 and 3 years. During 2018 RSUs were granted which vest annually over a 3 years period. During 2019 RSUs were granted which vest annually between 2 and 3 years. During 2020 RSUs were granted which vest annually over a 3 year period.

The options were valued using the Black-Scholes valuation model, using the following assumptions.

	2020	**2019 and prior**
Expected option life	4 years	4 years
Expected volatility	50%	50%
Weighted average volatility	50%	50%
Risk-free interest rate	0%	0.39% - 2.74%
Expected dividend yield	0%	0%

24 Share options (continued)

Within the assumptions above, a 50% share price volatility has been used, the assumption is based on the average volatility of similar listed companies over the preceding periods.

The charge / credit included within the financial statements for share options for the year to 31 December 2020 is a credit of £0.0 million (2019: charge of £0.2 million).

Details of the options issued under the approved scheme are as follows:	Number	Weighted average exercise price
Outstanding at the beginning of the year	42,681,619	1.3p
Granted during the year	30,552,654	0.6p
Exercised during the year	(478,258)	(0.1)p
Cancelled during the year	(30,195,242)	(0.3)p
Outstanding at the end of the year	42,560,773	0.5p
Exercisable at the end of the year	5,211,716	1.4p

The weighted average share price on the date options were exercised was 1.23p.

Share options expire after 10 years, the options above expiring between August 2024 and December 2029.

25 Undertakings included in the financial statements

The consolidated financial statements include:

	Class of share held	Country of incorporation	Proportion held	Nature of business
Direct subsidiary				
Brave Bison Limited	Ordinary	UK	100%	Online video distribution
Indirect subsidiaries				
Rightster Inc.	Ordinary	USA	100%	Liquidated in 2019
Rightster India LLP	Ordinary	India	100%	Non-trading
Viral Management Limited	Ordinary	UK	100%	Non-trading
Base 79 Limited	Ordinary	UK	100%	Non-trading
Base 79 Inc.	Ordinary	USA	100%	Liquidated in 2019
Base 79 Iberia SL	Ordinary	Spain	100%	Non-trading
Base 79 GMBH	Ordinary	Germany	100%	Liquidated in 2019
Brave Bison Asia Pacific Pte	Ordinary	Singapore	100%	Online video distribution
Associates				
Rebel FC Limited	Ordinary	UK	30%	Liquidated in 2020

Rebel FC Limited was dissolved on the 17 November 2020.

All subsidiaries are exempt from an audit with the exception of Brave Bison Limited and Brave Bison Asia Pacific Pte.

26 Financial Instruments

Categories of financial instruments	As at 31 December 2020 £000's	As at 31 December 2019 £000's
Financial assets		
Loans and other receivables	2,872	2,611
Cash and bank balances	2,754	4,249
	5,626	6,860
Financial liabilities at amortised cost		
Trade and other payables	(4,715)	(4,758)
Lease liabilities	(416)	(900)
	(5,131)	(5,658)

Financial risk management

The Group's financial instruments comprise cash and liquid resources and various items, such as trade receivables and trade payables that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Group's operations. The principal financial risks faced by the Group are liquidity, foreign currency and credit risks. The policies and strategies for managing these risks are summarised as follows:

Foreign currency risk

Transactional foreign currency exposures arise from both the export of services from the UK to overseas clients, and from the import of services directly sourced from overseas suppliers. The Group is primarily exposed to foreign exchange in relation to movements in sterling against the US Dollar, the Euro and the Singapore Dollar.

The Group does not use derivatives to hedge translation exposures. All gains and losses are recognised in profit or loss on translation at the reporting date. The Group's current exposures in respect of currency risk are as follows:

	Sterling £000's	US Dollar £000's	Singapore Dollar £000's	Euro £000's	Other £000's	Total £000's
Financial assets	4,556	2,172	45	86	1	6,860
Financial liabilities	(2,568)	(2,857)	(134)	(26)	(73)	(5,658)
Total exposure at 31 December 2019	1,988	(685)	(89)	60	(72)	1,202
Financial assets	4,452	1,091	21	62	0	5,626
Financial liabilities	(2,419)	(2,552)	(50)	(39)	(71)	(5,131)
Total exposure at 31 December 2020	2,033	(1,461)	(29)	23	(71)	495

26 Financial Instruments (continued)

Sensitivity analysis
The table below illustrates the estimated impact on profit or loss as a result of market movements in the US Dollar, Singapore Dollar, Euro and Sterling exchange rate.

Impact on loss and equity	10% Increase US Dollars £000's	10% Decrease US Dollars £000's	10% Increase Singapore Dollars £000's	10% Decrease Singapore Dollars £000's	10% Increase Euro £000's	10% Decrease Euro £000's
For the year to 31 December 2019	(69)	69	(9)	9	6	(6)
For the year to 31 December 2020	(146)	146	(3)	3	2	(2)

Credit risk
The Group's principal financial assets are cash and cash equivalents and trade and other receivables. The Group has no significant concentration of credit risk. The maximum exposure to credit risk is that shown within the balance sheet. All amounts are short term and management consider the amounts to be of good credit quality.

Liquidity/funding risk
The Group's funding strategy is to ensure a mix of funding sources offering flexibility and cost effectiveness to match the requirements of the Group.

Contractual maturities
The Group manages liquidity risk by maintaining adequate reserves.

Interest rate risk
The Group holds the majority of its cash and cash equivalents in corporate current accounts. These accounts offer a competitive interest rate with the advantage of quick access to the funds.

Capital policy
The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain a capital structure that optimises the cost of capital.

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of cash and cash equivalents as disclosed in the statement of financial position and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in the consolidated statement of changes in equity.

Debt is defined as long and short-term borrowings (excluding derivatives). Equity includes all capital and reserves of the Group that are managed as capital.

26 Financial Instruments (continued)

Financial instruments measured at fair value
Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of fair value hierarchy. This grouping is determined based on the lowest level of significant inputs used in fair value measurement, as follows:

- level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- level 2 – inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group categorises all financial assets and liabilities as level 1.

Maturity analysis
Set out below is a maturity analysis for non-derivative financial liabilities. The amounts disclosed are based on contractual undiscounted cash flows. The table includes both interest and principal cash flows. The Group had no derivative financial liabilities at either reporting date.

	Total £000's	Less than 1 Year £000's	1-3 Years £000's	3-5 Years £000's
As at 31 December 2019				
Trade and other payables	4,758	4,758	-	-
Leases liabilities	900	497	403	-
As at 31 December 2020				
Trade and other payables	4,715	4,715	-	-
Lease liabilities	416	416	-	-

27 Financial commitments

The present value of future minimum rentals payable under non-cancellable operating leases is as follows:

	At 31 December 2020 £000's	At 31 December 2019 £000's
Less than 1 year	-	57
Between 1 and 5 years	-	-
More than 5 years	-	-
	-	57

28 Transactions with Directors and other related parties

Transactions with associates and related parties during the year were:

	2020 £000's	2019 £000's
Associates revenue share	-	134
Recharge of Philippa Norridge's salary from Tangent Marketing Services Limited during the period 5 February 2020 to 30 April 2020 while acting as interim CFO	34	-
Recharge for IT related salary from Tangent Marketing Services Limited	3	-
Recharge for HR related salary to Tangent Marketing Services Limited	9	-

	At 31 December 2020 £000's	At 31 December 2019 £000's
Amounts owed to associates	-	-
Amounts owed to Tangent Marketing Services Limited	3	-
Amounts owed by Tangent Marketing Services Limited	5	-

Tangent Marketing Services Limited is a related party by virtue of its shareholding in Brave Bison Group Plc. All of the above transactions were conducted at arms length.

29 Loss on disposal of foreign subsidiaries

	2020 £000's	2019 as restated £000's
Loss on disposal of foreign subsidiaries	-	509
	-	509

During the period the Group made a loss on the disposal of foreign subsidiaries of £nil (2019: £0.5 million). There has been a prior year adjustment of £0.5 million relating to foreign subsidiaries which were liquidated in 2019. This represents a correction of the treatment of the balance in the retranslation reserve of these entities which IAS 21 states needs to be moved to the face of the income statement upon liquidation. There was also an adjustment of £0.3 million to opening reserves in 2019 relating to subsidiaries liquidated in 2018. This prior year adjustment is detailed in note 30.

30 Prior year adjustment

During the period the Group made a loss on the disposal of foreign subsidiaries of £nil (2019: £0.5 million). There has been a prior year adjustment of £0.5m relating to foreign subsidiaries which were liquidated in 2019. This represents a correction of the treatment of the balance in the retranslation reserve of these entities which IAS 21 states needs to be moved to the face of the income statement upon liquidation. There was also an adjustment of £0.3 million to opening reserves in 2019 relating to subsidiaries liquidated in 2018.

30 Prior year adjustment (continued)

The amendment to the profit and loss account for the year ended 31 December 2019 was as follows:

	As previously reported £000's	Adjustment £000's	As restated £000's
Revenue	16,813	-	16,813
Cost of sales	(11,632)	-	(11,632)
Gross profit	5,181	-	5,181
Administration expenses	(6,565)	-	(6,565)
Restructuring costs	(649)	-	(649)
Impairment charge	(757)	-	(757)
Operating loss	(2,790)	-	(2,790)
Share of loss from equity accounted investment	(18)	-	(18)
Loss on disposal of foreign subsidiary	-	(509)	(509)
Finance income	85	-	85
Finance costs	(22)	-	(22)
Loss before tax	(2,745)	(509)	(3,254)
Income tax credit	35	-	35
Loss after tax	(2,710)	(509)	(3,219)

The amendment to the balance sheet as at 31 December 2019 was as follows:

	As previously reported £000's	Adjustment £000's	As restated £000's
Non-current assets			
Intangible assets	826	-	826
Property, plant and equipment	909	-	909
Investment in associates	-	-	-
	1,735	-	1,735
Current assets			
Trade and other receivables	2,611	-	2,611
Cash and cash equivalents	4,249	-	4,249
	6,860	-	6,860
Current liabilities			
Trade and other payables	(4,758)	-	(4,758)
Lease liabilities	(497)	-	(497)
	(5,255)	-	(5,255)
Non-current liabilities			
Deferred tax	(142)	-	(142)
Lease liabilities	(403)	-	(403)
Bank loan	-	-	-
	(545)	-	(545)
Net Assets	2,795	-	2,795

30 Prior year adjustment (continued)

Equity			
Share capital	612	-	612
Share premium	78,762	-	78,762
Capital redemption reserve	6,660	-	6,660
Merger reserve	(24,060)	-	(24,060)
Merger relief reserve	62,624	-	62,624
Retained deficit	(121,052)	(898)	(121,950)
Translation reserve	(751)	898	147
Total equity	2,795	-	2,795

31 Post balance sheet events

There have been no significant post balance sheet events to be disclosed.

As at 31 December 2020

	Note	At 31 December 2020 £000's	At 31 December 2019 as restated £000's	At 31 December 2018 as restated £000's
Fixed asset investments				
Investments in subsidiaries	33	9,088	9,096	9,096
Current Assets				
Debtors	34	1	-	-
		1	-	-
Creditors: amounts falling due within one year		-	-	(42)
Total assets less current liabilities		9,089	9,096	9,054
Capital and reserves				
Called up share capital	35	613	612	576
Share premium account		78,762	78,762	78,762
Capital redemption reserve		6,660	6,660	6,660
Merger relief reserve		62,624	62,624	62,624
Share options reserve		7,009	7,017	6,852
Profit and loss account		(146,579)	(146,579)	(139,568)
		9,089	9,096	15,906

The Company did not trade during the year ended 31 December 2020 (2019: loss of £7.0 million).

The financial statements on pages 72 to 76 were authorised for issue by the Board of Directors on 27 April 2021 and were signed on its behalf by

Philippa Norridge
Director

For the year ended 31 December 2020

	Share Capital £000's	Share Premium £000's	Capital redemption Reserve £000's	Merger relief Reserve £000's	Share options reserve £000's	Profit and loss account £000's	Total Equity £000's
As restated for the period ended 31 December 2019 and 31 December 2018							
At 1 January 2019 as previously stated	576	78,762	6,660	62,624	-	(139,568)	9,054
Equity settled share-based payments	-	-	-	-	6,852		6,852
At 1 January 2019 as restated	576	78,762	6,660	62,624	6,852	(139,568)	15,906
Equity settled share-based payments	-	-	-	-	165	-	165
Shares issued during the year	36	-	-	-	-	-	36
Transactions with owners	36	-	-	-	165	-	201
Other Comprehensive income							
Loss and total comprehensive income for the year	-	-	-	-	-	(7,011)	(7,011)
At 31 December 2019	612	78,762	6,660	62,624	7,017	(146,579)	9,096
Shares issued during the year	1	-	-	-	-	-	1
Transactions with owners	1	-	-	-	-	-	1
Other Comprehensive income							
Loss and total comprehensive income for the year	-	-	-	-	(8)	-	(8)
At 31 December 2020	613	78,762	6,660	62,624	7,009	(146,579)	9,089

See note 36 for details of the prior year restatement

32 Accounting Policies

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value.

The financial statements are prepared in sterling which is the functional currency of the Company. The figures are presented in thousands of pounds (£000's) unless otherwise stated.

Going concern
The financial statements have been prepared on a going concern basis, which assumes that the Group will be able to meet its liabilities as they fall due for the foreseeable future, and at least for 12 months from the date of approval of the financial statements. The Group is dependent for its working capital requirements on cash generated from operations, and cash holdings. The cash holdings of the Group at 31 December 2020 were £2.8 million (2019: £4.2 million). The Group made a loss before tax of £2.3 million for the year ended 31 December 2020 (2019: £3.3 million), and generated a decrease in cash and cash equivalents in 2020 of £1.5 million (2019: £1.1 million). The Group has net assets of £0.8 million (2019: £2.8 million).

The Directors have prepared detailed cash flow projections ("the Projections") for the period to 31 December 2021 and for the following 4 month period to 30 April 2022 which are based on their current expectations of trading prospects. The Group achieved positive cashflow of £0.6 million in H2 2020, after restructuring the business, and the Board forecasts that the Group will continue to achieve positive cash inflows in 2021 due to both the cost savings that have already been made, and the expected revenue growth.

The Directors are confident that the Group's cash flow projections are achievable, and are committed to taking any actions available to them to ensure that any shortfall in forecast revenues receipts is mitigated by cost savings.

The Directors also continue to monitor the impact of the COVID-19 pandemic, and maintain rolling forecasts which are regularly updated. While the pandemic did have an impact on revenue in the first half of 2020 as clients cut advertising budgets, advertising revenue recovered faster than anticipated in the second half of the year, and the Directors expect this to continue throughout 2021.

The Directors remain confident that the Group has sufficient cash resources for a period of at least twelve months from the date of approval of these financial statements despite the impact of the pandemic and accordingly, the Directors have concluded that it is appropriate to continue to adopt the going concern basis in preparing these financial statements.

Deferred taxation
Deferred tax represents the future tax consequences of transactions and events recognised in the financial statements of current and previous periods. It is recognised in respect of all timing differences, with certain exceptions. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expense in tax assessments in periods different from those in which they are recognised in the financial statements. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of timing differences. Deferred tax on revalued non-depreciable tangible fixed assets and investment properties is measured using the rates and allowances that apply to the sale of the asset.

Investments
Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at cost less impairment.

Debtors
Debtors are stated in the balance sheet at estimated net realisable value.

Share based payments
Employees (including Directors) of the Company received remuneration in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions').

The cost of equity settled transactions with employees is recovered by reference to the fair value at the grant date of the equity instrument granted. The fair value is determined by using the Black-Scholes method. The cost of equity-settled transactions are recognised, together with a corresponding credit to equity, over the period between the date of grant and the end of vesting period, where relevant employees become fully entitled to the award. The total value of the options has been pro-rated and allocated on a weighted average basis.

Exemptions
The Directors have taken advantage of the exemption available under section 408 of the Companies Act 2006 and not presented a profit and loss account for the Company alone.

The Company has adopted the disclosure exemption from the requirement to present a statement of cashflows and the related notes, which are instead presented on a consolidated basis.

The Company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions between the Company and its wholly owned subsidiaries within the Group.

Share capital and reserves
Share capital represents the nominal value of shares that have been issued.

Share premium includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

Profit and loss account includes all current and prior period retained profits or losses. It also includes charges related to share-based employee remuneration.

Merger relief reserve – where the following conditions are met any excess consideration received over the nominal value of the shares issued is recognised in the merger relief reserve:

- the consideration for shares in another company includes issued shares;
- on completion of the transaction, the company issuing the shares will have secured at least a 90% equity holding in the other company.

Where the Company purchases its own equity share capital, on cancellation the nominal value of the shares cancelled is deducted from share capital and the amount is transferred to the capital redemption reserve.

Dividend distributions payable to equity shareholders are included in 'other liabilities' when the dividends have been approved in a general meeting prior to the reporting date.

Significant judgements and estimates

The Company is required to test, at least annually, whether investments have suffered any impairment. The recoverable amount is determined based on value in use calculations. The use of this method requires the estimation of future cash flows attributable to the acquired cash-generating unit and the choice of a suitable discount rate in order to calculate the present value of these cash flows. Actual outcomes could vary.

Where the Company has receivables from other Group entities, the recoverability of the receivables are assessed at the end of each accounting period. Where there is doubt in regards to the recoverability, the receivable is considered to be impaired and written down to its recoverable value. This assessment is made using past experience however subjectivity is involved when assessing the level of recoverability and impairment.

Prior year adjustment

The prior period financial statements have been restated to correct the equity settled transactions and impairment of investments in the Company. Details of the restatement can be found in note 36.

33 Investments in subsidiaries and associates

Investments	2020 £000's	2019 as restated £000's
Cost of investments brought forward	9,096	15,948
Additions from **e**quity settled share-based payments	-	165
Reduction from **e**quity settled share-based payments	(8)	-
Impairment	-	(7,017)
Cost of investment carried forward	9,088	9,096

As at 31 December 2020, investments were assessed for impairment. The management team have re-assessed projected cash flows. The estimated cash flows for a period of 5 years were developed using internal forecasts, and a pre-tax discount rate of 10%. The cash flows beyond 5 years have been extrapolated assuming nil growth rates. The key assumptions are based on growth of existing and new customers and forecasts, which are determined through a combination of management's views, market estimates and forecasts and other sector information. A sensitivity analysis has also been performed on the projected cash flows. This assessment did not result in an impairment charge for the year ended 31 December 2020 however the comparative period was restated with an impairment charge of £7.0 million, see note 36.

At 31 December 2020 the Company had the following subsidiary undertakings:

	Class of share held	**Country of incorporation**	**Proportion held**	**Nature of business**
Direct subsidiary				
Brave Bison Limited	Ordinary	UK	100%	Online video distribution
Indirect subsidiaries				
Rightster Inc.	Ordinary	USA	100%	Liquidated in 2019
Rightster India LLP	Ordinary	India	100%	Non-trading
Viral Management Limited	Ordinary	UK	100%	Non-trading
Base 79 Limited	Ordinary	UK	100%	Non-trading
Base 79 Inc.	Ordinary	USA	100%	Liquidated in 2019
Base 79 SL	Ordinary	Spain	100%	Non-trading
Base 79 GMBH	Ordinary	Germany	100%	Liquidated in 2019

33 Investments in subsidiaries and associates (continued)

Brave Bison Asia Pacific Pte	Ordinary	Singapore	100%	Online video distribution
Associates				
Rebel FC Limited	Ordinary	UK	30%	Influencer football team

Rebel FC Limited was dissolved on the 17 November 2020.
All subsidiaries are exempt from an audit with the exception of Brave Bison Limited and Brave Bison Asia Pacific Pte.

34 Debtors

	2020 £000's	2019 £000's
Amounts owed by group undertakings	1	-
	1	-

35 Capital and reserves

Ordinary share capital	**At 31 December 2020**		**At 31 December 2019**	
	Number	**£000's**	**Number**	**£000's**
Ordinary shares of £0.001	612,821,228	613	612,341,970	612
Total ordinary share capital of the Company		613		612

Called-up share capital represents the nominal value of shares that have been issued.

The movement in share capital can be reconciled as follows:

	2020		2019	
	Ordinary Shares Number £0.0000001	Ordinary Share Capital £000's	Ordinary Shares Number £0.0000001	Ordinary Share Capital £000's
Opening balance	612,342,970	612	576,140,030	576
Issue of ordinary shares	478,258	1	36,202,940	36
Closing balance	612,821,228	613	612,342,970	612

36 Prior year adjustment

The prior year financial statements have been restated to account for the equity settled in the Company and impairment of investments. The comparative figures did not recognise share based payment transactions in equity with the corresponding increase in its investment in the subsidiary or the impairment of investments. The impact of the restatement has resulted in an increase in the in the share options reserve by £7.0 million and a decrease in the profit and loss account reserve of £7.0 million, as a result of a £7.0 million impairment charge in the year.

36 Prior year adjustment (continued)

The amendment to the balance sheet as at 31 December 2019 was as follows:

	As previously reported	Adjustment	As restated
	£000's	£000's	£000's
Fixed asset investments			
Investments in subsidiaries	9,096	-	9,096
Current Assets			
Debtors	-	-	-
	-	-	-
		-	-
Creditors: amounts falling due within one year	-	-	-
Total assets less current liabilities	9,096	-	9,096
Capital and reserves			
Called up share capital	612	-	612
Share premium account	78,762	-	78,762
Capital redemption reserve	6,660	-	6,660
Merger relief reserve	62,624	-	62,624
Share options reserve	-	7,017	7,017
Profit and loss account	(139,562)	(7,017)	(146,579)
	9,096	-	9,096

37 Post balance sheet events

There have been no significant post balance sheet events to be disclosed.