

BRAVE BISON GROUP PLC
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 December 2017



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BRAVE BISON GROUP PLC (COMPANY NUMBER 08754680)

COMPANY INFORMATION

For the year ended 31 December 2017

The board of Directors

Sir Robin Miller
Paul Campbell-White
Mark Cranmer
Claire Hungate
Paul Marshall

Company secretary

Alex Davids

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BRAVE BISON GROUP PLC (COMPANY NUMBER 08754680)
HIGHLIGHTS

For the year ended 31 December 2017

2017 Headlines

- Revenue decreased by 48% to £9.1 million (2016: £17.7 million). £5.7 million of this was due to a low margin advertising revenue product that was terminated by the Company in Q1 2017.
- Fee Based Services revenues were impacted by loss of two major clients in Q4 2016.
- CEO Claire Hungate appointed Q3 2017, prompting a strategic shift in the Company's focus to drive the Company towards profitability – gearing Brave Bison for growth in 2018.
- Specialist Board and management appointments made to underpin the transformation.
- EBITDA loss reduced by 51% to £1.7 million (2016: £3.5 million).
- Significant improvement towards profitability - operating EBITDA loss before restructuring costs, share based payments and foreign exchange reduced 84% to £0.5 million (2016: £3.2 million).
- Impact of new strategy, focused on international growth markets and a range of profitable social video work with blue-chip brands, started to have a positive impact in the financial year:
 - Admin expenses decreased by 32% to £8.7 million (2016: £12.9 million) as a result of a reduction in headcount and closure of a number of foreign offices as the business re-focuses on EMEA and APAC regions. Headcount at year-end including contractors has reduced by 32% to 55 (2016: 81).
 - Increase in commissioned content revenues driven by direct to brand deals in APAC.
 - Commercialisation of Slash Football (Papa Johns and SEGA), and Rebel FC (Under Armour) in Q4 2017.
 - Monetisation of 11 Facebook owned and operated channels which had over 3.8 billion views in December 2017.
 - Signing of a two-year strategic partnership deal with Shell in Q4 2017.
- Non-cash £12.2 million impairment charge relating to technology software assets and customer relationship intangible assets from prior acquisitions.
- Cash outflow from operating activities has reduced by 66% to £1.5 million (2016: £4.5 million) and the Group had £4.8 million cash at the year end.

Post Period

- Top 10 Global Online Media and Entertainment Publisher in December 2017 and January 2018 (source: Tubular Labs).
- Repeat commissioned content deals with Air Nippon Airways and Procter & Gamble in APAC.
- Appointment of specialist consultant in APAC to expand Brave Bison's territorial footprint and find new revenue streams.
- Appointment of new APAC General Manager and APAC Creative Director to implement growth plan.
- In advanced discussions regarding a new strategic partnership contract with a multi-national Information Technology and Peripheral producer in APAC and EMEA.
- Starting content production for Shell and PGA Tour America – proving the strategic partnership model.
- Slash Football commercial deal with Marriott Courtyard and Baiteze Squad deal with Puma in Q1 2018.
- Analysis and strategy completed in order to launch a portfolio of new owned & operated channels in early Summer 2018.

For the year ended 31 December 2017

Chairman's Report

It has been a year of reorganisation and consolidation providing a solid base for a new team to drive the business forward in an area of media which continues to change and grow at an astonishing pace.

Claire Hungate, previously of Warner Bros., took up the position of Chief Executive in August and lost no time in appointing Paul Campbell-White as her CFO, both having had strong connections with the industry. Shortly afterwards they were joined by Jon Kitchen as Commercial Director recruited from the Lad Bible. So, a strong team following the departure of previous management.

If it is speed boats rather than merchant ships which are required to navigate this new and rapidly changing ocean of opportunity, then Brave Bison is leaner, fitter and faster than a year ago. Headcount has been reduced by a third, our international strategy is now focussed on the Far East and we have ditched a large slice of low margin revenue which flattered the top line but added little to the important one at the bottom. This reflects our focus on creating a profitable, growing business.

Change does present opportunity and it is our ability to take it that counts. Our business base in Singapore, where we have just appointed a new General Manager, has been strengthened by the addition of a Creative Director and a specialist consultant. This has the potential to be the fastest growing area of our business.

Back home our strategy of being an owner and an operator, starting with Slash Football, will become more apparent with new channels to be announced in early summer. We do, of course, have a strong association with Facebook and monetise 11 of their channels, which in December had 3.8 billion views. Relationships with YouTube are, and always have been, very lucrative and important to us and we intend to invest more time and money here in the current year.

Managing clients' channels remains a staple part of what we do and winning strategic partnerships with the likes of Shell and with the biggest professional golf organisation in the world, the PGA Tour America (PGA), is huge credit to the executives who brought them home.

A feather in the cap of all our people, according to the respected Tubular Labs, was making our way into the Top Ten of Global Online Media and Entertainment Publishers in December 2017 and January 2018.

In terms of hard financial facts, shareholders will note that while we have not yet broken into profit our losses have been reduced considerably and we expect that progress to continue in the current year. We have also taken the opportunity to clean up the balance sheet by taking a sizeable write-down of technology software assets and customer relationships valuations from previous acquisitions.

Shareholders should be aware that the business we are in, while providing growth and opportunities, is also quite unpredictable. Therefore it is our ability to move quickly which will count. So far so good.

Sir Robin Miller

Chairman, Brave Bison Group plc



For the year ended 31 December 2017

CEO's Report

Business in 2017 was significantly impacted by the departure of former CEO, Ashley Mackenzie in January, Chief Operating and Financial Officer Kevin Deeley in September and the Commercial Director in August. Shortly after commencing as CEO in earnest in September, I appointed a new Commercial Director (October) and our new CFO Paul Campbell-White (October). This was followed by a new General Manager of APAC, who joined in February 2018. After a period of cost cutting and office rationalisation, the new team have set about the process of growing a business which has been in stasis for some time.

Having concluded an in-depth analysis of the market opportunity, revenue and operations at the end of 2017, the start of 2018 has been all about the new story of Brave Bison; the Company's senior management team have built a bottom-up 2018 budget based on a clear vision and strategy, a simplified message for the business, the launch of a new website encompassing that new messaging, and a market outreach campaign, spearheaded by sponsorship of the industry flagship event, Advertising Week Europe in March 2018.

At the most basic level, Brave Bison is a social video company; we work with brands, creators and platforms to create, distribute and monetise video that's fit for a digital world.

We have identified three pillars around which all our services revolve; Strategy, Origination and Distribution. Unlike most of our competitors we can provide all of these elements as a one-stop shop/end-to-end service or we can provide them individually, each pillar inevitably bleeding into the others in synergistic fashion.

The Market Opportunity

Advertising expenditure on social media is forecast to reach US\$54 billion in 2019 (Zenith Global Intelligence Q2 2017), overtaking advertising expenditure on printed newspapers, which will total US\$49 billion that year. Social media advertising is the fastest-growing component of internet advertising – it grew 52% in 2016 and is forecast to grow at an average rate of 20% a year to 2019. For many consumers, checking their mobile devices for social media has become a regular, ingrained habit, and social media ads blend seamlessly into their mobile app newsfeeds. Social media advertising accounted for 7.1% of all global advertising in 2017, and by 2019 this proportion will rise to 9.1%. Newspaper advertising, meanwhile, is shrinking by 5% a year.

Online video is growing rapidly thanks to availability of more and better content, and the spread of high-speed Internet connections. Zenith forecast it to grow by 16% a year through 2020, increasing its share of global advertising spend from 4.6% in 2017 to 5.7% in 2019. Traditional Internet display advertising grew just 0.7% in 2016 as advertisers shifted their budgets into social media and online video.

This creates a digital first – video first ecosystem within which Brave Bison's unique combination of services can thrive.

Commissioned Content

We have continued to see success in the world of high value brand deals, and amongst others have delivered large campaigns with Procter & Gamble, Johnson & Johnson, Hyundai, Evian and SEGA. We have moved on from life as an influencer-led agency to an ideas-generating, creative advertising business which is able to research, analyse and ideate around a brief as well as produce the content ourselves. Ordinarily we retain all intellectual property (IP) rights in the content we produce, allowing us to seek and take advantage of long tail value distribution opportunities.

For the year ended 31 December 2017

We still have a large network of influencer talent with whom we work and with whom we can partner when appropriate. However we firmly believe that although an influencer campaign can be an effective way of addressing a marketing brief; it is certainly not always the best or most effective way, depending on the product and the target demographic. That being said, the influencer market and our knowledge of it is still key to Brave Bison and it is a market we see growing into 2018 and beyond, particularly in the APAC region, serviced by our Singapore office. Influencer videos are extremely effective at driving sales with brands increasingly using influencer-created content as part of their campaigns. According to a recent generation video study, 'The Influence of Influencers', 90 per cent of social media users are influenced to make a purchase after seeing content on social media and 33 per cent of survey respondents reported that social media influencers are their most trusted sources when shopping.

In July 2017 we renewed and expanded upon our relationship with the English Football League (EFL). The EFL is the largest single body representing professional football clubs in Europe. Brave Bison are exclusively responsible for the monetisation of all advertising units across 58 of the official club sites and EFL.com domains. The contract also includes the opportunity for Brave Bison to be the de facto partner for branded content opportunities for future digital sponsor partnerships.

The APAC Opportunity

In a crowded UK market place, APAC is a clear opportunity for immediate growth for Brave Bison and new management have already taken strides to take advantage of this potential. We have appointed a new General Manager for APAC with considerable experience within the digital industry, deep knowledge of the APAC territory, good industry contacts and operational experience. We have also engaged a known digital advertising industry specialist to advise on and execute this growth with a remit to take the Company into new territories in the APAC region and expand our revenue streams. Additionally, we appointed a Creative Director to exclusively serve our APAC business at the start of 2018 and are set to make further hires to take advantage of the opportunities in this region. Key territories for growth are Indonesia, Japan, China and Vietnam. We are already working on an exciting football related project in China.

Advertising expenditure in Asia Pacific is expected to continue to grow significantly - by US\$30 billion between 2016 and 2019, contributing 43% of the global growth in advertising spend over this period. By 2019 it is expected that Asia Pacific will account for 33.4% of global advertising spend, up from 32.1% in 2016. This will be the first time that advertising spend in the region will account for more than a third of the global total.

The Asia Pacific ad market in 2017, bolstered by robust performance of traditional TV media and rapid online take-up, saw strong growth which was underpinned by structural drivers, such as rising consumerism, the emerging middle class, as well as rapid mobile device adoption by a younger demographic in the developing markets such as Vietnam, Indonesia and the Philippines.

Social Platforms and Owned & Operated

Our Q4 platform advertising revenues benefitted heavily from our entry to the Facebook 'ad breaks' beta testing. Our strategy of building large audiences and viewing on our portfolio of 11 owned and operated channels primarily driven by highly engaging and watchable shareable content was very successful. In December 2017 and January 2018 we were No. 10 in Tubular Labs' table of Global Online Media and Entertainment Publishers alongside Time Warner, Comcast and Disney, having driven 3.8 billion Facebook views (in December) across our portfolio of channels. It has been widely reported that Facebook have been experimenting with their algorithms in 2018 in order to drive engagement and encourage community and returnability, rather than fleeting

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visits to the platform. Facebook will continue to experiment with video content and how best to persuade their audience to embrace video on their platform and Brave Bison must experiment alongside them.

Therefore, following the roll-out of Slash Football as an owned and operated channel in 2016, we will soon be announcing a further suite of channels in different verticals and across multiple social platforms built on a variety of different business models. These platforms not only provide brand-safe distribution channels for our social video commissioned branded content deals; they are also revenue-generating in their own right via advertising sales and potential off-platform merchandising spin offs.

Our business analysis has also led us to the decision to re-invest in our YouTube partner business – the old Multi-Channel Network (MCN) business, previously de-prioritised. We still believe in YouTube as a solid video platform with a big, engaged and growing audience and we will re-up our investment in growing this business.

Strategic Partnerships

The importance of a pipeline of fees for services to Brave Bison's revenue is obvious; the unpredictable nature of brand spend and advertising revenue on third party platforms is undesirable and so although the majority of our revenue streams are somehow dependent on a 3rd party platform or advertising revenue, our increasing move towards IP ownership and a pipeline of fees for services is key. 'Strategic partnerships' whereby we take advantage of our deep understanding of social platforms and are paid for that knowledge will be a priority going forward. In Q4 we announced our two-year partnership with Shell, which has us advising the multi-national on the use and curation of video content on social media platforms, largely YouTube. This contract has developed into an end-to-end service as we now move in to a phase of video content production for Shell. We are in advanced discussions regarding the next of these deals with a multi-national Information Technology and Peripheral producer across APAC and EMEA.

In addition, our channel management contract with The PGA Tour America (PGA), has now led to a production commission. Our channel management services have proved very positive for PGA with over a 100% increase in revenue and subscriber growth in a year. Now that we have case studies and a proven model on the strategic partnerships we are rolling it out in earnest as a key component of our 2018 strategy.

Building on our growing portfolio of video production experience, we have been approaching VOD and OTT platforms regarding returnable commissioned content in the factual space. This is an area we will be targeting moving forward given our credentials as a digital first producer who understands Gen Z audiences on digital platforms. Business wise it is low risk (as the content is fully funded by platforms or brands) and we would expect to own IP which provides longer tail distribution value.

Distribution and Licensing

Distribution is another area of our business, which has been underserved and undervalued, in the recent past; however it is a vital part of our offering if we are to compete with our rivals many of whom are large publisher platforms. I have created a new Head of Distribution role to address this issue. In addition, I have created a

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Chief Revenue Officer role to target growth in new business and oversee the margin of the business we are generating, ensuring we are delivering in the most efficient manner.

The Viral Spiral licensing business will additionally be re-launched and renewed, with a new emphasis on licensing-in content, which can then be used across our owned and operated suite of channels, as well as to service a new audience of creative agencies and TV production companies who want to access viral content for their own productions.

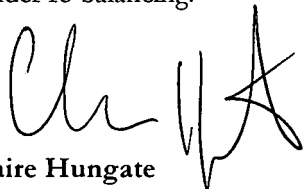
Technology

The proprietary technologies we use to service our clients are key to the business; both as a value-add service offerings, and as valuable assets in their own right. These include Totem (social video campaign analytics tool), Uploader (a scalable online video distribution and optimisation tool) and Viral Spiral (our licensing portal). We will continue to invest in bespoke technology when it makes sense for us to do so.

Summary and Outlook

Our conclusion, following the deep analysis we undertook, is that much of our activity, skills, services and knowledge are symbiotic; Strategy; Origination; Distribution. Our USP in a digital first and video first consumer market is the synergistic and end-to-end nature of our business and our deep understanding and experience in the social video space in an agency world of fragmented service offerings and multiple bills.

And finally we intend to put greater emphasis on ensuring we are attracting and retaining the best talent to work with us and are committed to taking positive steps to ensure that a traditionally male domain benefits from some gender re-balancing.



Claire Hungate

Chief Executive Officer, Brave Bison Group plc

For the year ended 31 December 2017

CFO's Report

Trading Results

During 2017 the Group continued to pursue the strategic imperatives of simplifying the business, moving up the value chain and achieving stand-alone financial sustainability.

Revenue decreased by 48% to £9.1 million (2016: £17.7 million), the decline driven by the Company terminating a low margin advertising revenue product in the first quarter of 2017.

The Group continues to carry out, as its primary activity, the monetisation of online video content which, can be sub-divided into two main underlying revenue streams, namely Advertising and Fee Based Services.

Advertising revenue decreased by £6.8 million to £4.0 million (2016: £10.9 million). £5.7 million of the decline was due to ceasing the low margin product.

Platform direct advertising revenues in 2017 have been impacted by the well-publicised difficulties faced by online video platforms that have lost major advertisers as a result of fears around inappropriate content. These platforms have now implemented various processes to improve brand safety. Despite these difficulties, platform revenues were broadly flat year on year helped by increased Facebook revenues from our 11 new owned and operated channels.

Fee Based Services revenue decreased by £1.7 million to £5.1 million (2016: £6.8 million). This is partly due the ending of a long-term partnership with the Australian Football League for live streaming. This four-year contract, originally signed in 2012, came to its natural end in Q4 2016 and, aside from a short-term extension, it was not renewed for a further season. The Group had anticipated this and the directly affected cost base was quickly reduced in early 2017. Revenues were also impacted by the loss of a significant contract with a major Hollywood movie studio that ended in Q4 2016.

However, these losses have been partly offset by the long-term strategic partnership contract with Shell and an increase in Commissioned branded content. The strategic partnership spans Shell's digital media estate and includes managing Shell's YouTube channels. In Q4 2017 this was extended by two years with an improved contract including Strategic and Proposition Development Services; Reporting and Analysis Services and Creative Services. The Shell business win demonstrates the start of rebuilding this product line. The Group remains committed to this segment as it represents stable high-margin over longer periods as compared to the more transactional advertising revenue stream, albeit when individual contracts end, the impact upon revenue and profits is more pronounced.

Commissioned branded content continues to deliver growth driven by high value campaigns direct with brands such as Procter & Gamble, All Nippon Airways and via agencies such as Havas (Hyundai) and MEC (Evian). Our ability to match popular influencers to relevant brands and then successfully promote those campaigns across multiple platforms continues to be a successful formula. It is clear that the APAC region merits a continuing presence and indeed further investment.

Gross profit has decreased in absolute terms, by 37% to £4.9 million (2016: £7.7 million) as a result of the decline in revenue. However, the move to higher value work has resulted in an increase in gross profit percentage from 43% in 2016 to 53% in 2017.

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Despite gross profit decreasing, operating loss has improved significantly having been reduced to £4.9 million in 2017 from £6.4 million in 2016. This is due to a £4.2 million decrease in administrative expenses to £8.7 million (2016: £12.9 million) primarily due to a reduction in headcount and closure of a number of foreign offices as the business re-focuses on EMEA and APAC regions. Headcount at year-end including contractors has reduced by 32% to 55 (2016: 81). Any new headcount will be targeted to key growth areas of APAC, owned and operated and strategic partnerships.

In early 2017 we opened our dedicated studio space, Yellowstone Studios in London, enabling us to create more content, more quickly and much more cost-effectively. The Group now has offices in London (to service the EMEA region) and Singapore (to service the APAC region).

The Group stock option credit for the year was £0.2 million (2016: £0.6 million charge). The credit for the year is due to the number of senior management leavers. The Group will continue to use stock options as a means of incentivising and retaining key talent going forward. In November 2017 a new long-term share incentive plan was adopted in replacement of the Company's existing share option scheme.

Restructuring costs associated with headcount decreases, departure of senior management, closure of foreign offices and associated legal costs have fallen slightly to £1.0 million (2016: £1.2 million).

Operating EBITDA loss before restructuring costs and share-based payments reduced 50% to £0.9 million (2016: £1.8 million). Adjusting for foreign exchange movements (loss of £0.4 million in 2017 and gain of £1.4 million in 2016), underlying Operating EBITDA loss before restructuring costs and share-based payments reduced 84% to £0.5 million (2016: £3.2 million). This demonstrates a significant improvement towards profitability.

The Loss before tax for the year was £17.2 million versus £6.5 million for the prior year. This consists of the following main items:

- The Operating loss analysed above
- Depreciation and Amortisation of Tangible and Intangible Assets of £3.2 million (2016: £2.9 million)
- Impairment charge of £12.2 million (2016: £nil) from the impairment of technology and customer relationship intangible assets. The technology software assets were deemed to be obsolete and so had no value resulting in a £1.6 million impairment charge. Customer relationship intangible assets have been impaired due to declining licensing revenues (from Viral Management Ltd acquisition) and a continuing decrease in platform revenues (from Base 79 Ltd acquisition) resulting in a £10.6 million impairment charge.

Acquisitions

The only acquisition in 2017 was a 30% stake in Rebel FC Limited, a football team made up of established young social media talent. This acquisition was carried out to enhance our social video football offering which also includes our owned and operated channel Slash Football.

Statement of Financial Position

The Group ended the year with £4.8 million in cash and cash equivalents (2016: £7.1 million) and no overdraft or other borrowings (2016: £0.4 million). In September 2017 the Group issued 2.1 million new ordinary shares

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of 0.1 pence each following the conversion of £0.4 million of convertible debt. Brave Bison is a growth business and operating cash flow is currently negative. Cash utilised by operating activities was reduced to £1.5 million in 2017 from £4.5 million in 2016. We anticipate that this will continue to improve as the Group moves towards profitability under its current strategy.

The Group is carrying Intangible Assets of £2.3 million (2016: £17.0 million). The Group capitalised R&D spend of £0.5 million (2016: £0.8 million) on the development of owned and operated intellectual property in 2017. The Intangibles continue to be amortised over their useful lives.

Environmental matters

As far as the directors of the Group are aware the Group's business does not cause a disproportionately adverse impact on the environment.

Social, community and human rights issues

Brave Bison has adopted a formal equal opportunities policy which is contained in its 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.

Employees

At 31 December 2017, the Group had 55 FTE's (including contractors) of whom 40 were male and 15 were female. Of the senior members of management, 6 were male and 1 was female.



Paul Campbell-White
Chief Financial Officer, Brave Bison Group plc

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Principal risks and uncertainties

The Group cannot be certain that it will achieve profitability

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. There can be no assurance that the Group will be able to introduce identified cost savings or become profitable 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.

Industry risk

The digital rights and media industry is relatively new and changing rapidly and, as such, it is difficult to predict the prospects for and direction of growth in the industry.

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 includes the announcement from Google in March 2017 that it acknowledged advertising was appearing alongside YouTube content linked to terrorism and extremist views. Facebook have also changed how they monetise video content in 2017 and have also changed their algorithm in February 2018 to promote more "shareable" content. Such things happen from time to time in the sectors in which the Group operates and could therefore impact indirectly upon the Group.

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

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employees could adversely affect the Group's ability to maintain and/or improve its operating and financial performance.

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.

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, Euro and Indian Rupee. 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.

Credit risk

The Group's principal financial assets are cash and cash equivalents and trade and other receivables. During 2017 the Group had two clients whose revenue accounted for over 10% of total revenue. These represented 24% of total revenue (2016: 5%) and 23% of total revenue (2016: 43%). 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. For further information refer to Note 24 of the financial statements.

BRAVE BISON GROUP PLC (COMPANY NUMBER 08754680)
REPORT OF THE DIRECTORS

For the year ended 31 December 2017

Report of the Directors

The directors are pleased to present their report to shareholders and the audited financial statements for the year 2017.

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.

Principal activity and business model

The principal activity of the Group is monetising online video content.

Brave Bison aims to become a leading global player in online video content marketing with particular emphasis on social media talent. The Group brings together Content Owners, Creators, Brands and Publishers and helps them build and engage online audiences with optimal impact and efficiency. It enables clients to commercialise their content to audiences worldwide, utilising some of the most popular online video platforms, including YouTube and Facebook.

Results and dividends

The results for 2017 are set out in the consolidated income statement.

The directors do not propose payment of a dividend for 2017 (2016: £nil).

Review of the period

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

Significant events

There have been various changes to the management team and board during the year.

On 8 January 2017, Ashley MacKenzie resigned from his role as Chief Executive Officer and he remained on the board as a Director until 19 September 2017. On 30 January 2017 Kevin Deeley was appointed Chief Operating Officer and assumed the responsibilities of the Chief Executive Officer. It was intended that he carried out these responsibilities until the Group appointed a new Chief Executive Officer.

Claire Hungate was appointed Chief Executive Officer and a Director on 1 August 2017 and following this, Kevin Deeley resigned as Chief Operating Officer and Financial Officer and his position as a Director on 15 September 2017.

Paul Campbell-White was appointed Chief Financial Officer and a Director on 26 October 2017.

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REPORT OF THE DIRECTORS

For the year ended 31 December 2017

Significant shareholdings

As at 31 December 2017, the following investors held more than 3% of the issued shares in the capital of Brave Bison:

Shareholder	Number of Shares	% of Total Issued Share Capital
Woodford Investment Management	113,205,556	19.73%
Invesco Asset Management Limited	110,893,102	19.32%
Vesuvius Limited	56,014,648	9.76%
TCG LLC	31,271,201	5.45%
James Russell DeLeon	30,000,000	5.23%
Kelvin MacKenzie	20,535,679	3.58%
Herald Investment Management	20,000,000	3.48%
MMC GP Limited	18,757,177	3.27%

The directors' interests are shown in the remuneration report.

Related party transactions

Details of all related party transactions are set out in Note 26 to the Financial Statements.

Corporate governance

The Directors' statement on Corporate Governance is set out on pages 17 to 20 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") 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.

BRAVE BISON GROUP PLC (COMPANY NUMBER 08754680)
REPORT OF THE DIRECTORS

For the year ended 31 December 2017

Strategic outlook

The board believes that the continuing roll out of the strategic plan, which includes simplifying the business and focusing on organic revenue growth, will support the Group's path to profitability. Management continues to work to transform the business from a third party technology provider to a business creating and capturing advertising spend, using its expertise in online video content and audience management. The directors believe this will enable Brave Bison to become a leading social video manager and producer with significant global reach amongst millennials as well as the younger generations.

Annual General Meeting

Brave Bison's Annual General Meeting is scheduled to take place on 13 June 2018.

Directors

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

A MacKenzie	Ceased on 19 September 2017
K Deeley	Ceased on 15 September 2017
C Hungate	Appointed on 1 August 2017
P Campbell-White	Appointed on 26 October 2017
Sir R Miller	
M Cranmer	
P Marshall	

6 of the above 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

Grant Thornton UK LLP were reappointed as auditors on 21 June 2017 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



Sir Robin Miller
Chairman, Brave Bison Group plc

For the year ended 31 December 2017

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 UK Generally Accepted Accounting Practice (UK accounting standards and applicable laws). 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 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.

For the year ended 31 December 2017

Statement on Corporate Governance

As a company listed on AIM, Brave Bison Group plc ("Brave Bison", or the "Company") is not required to comply with the UK Corporate Governance Code. However, we have reported on the corporate governance arrangements that we consider to be relevant to the Group and best practice. The board is committed to the regular review of Brave Bison's governance structures, its practices and procedures and the composition and performance of the board itself to ensure the highest standard of corporate governance, having regard to available resources.

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

The Board constitution and procedures

As at 31 December 2017, the board comprised the following: (i) the Non-Executive Chairman, Sir Robin Miller who was appointed on 16 November 2015 and served as Non-Executive Chairman throughout the year; (ii) the Chief Executive Officer, Claire Hungate, who was appointed on 1 August 2017 (iii) the Chief Financial Officer, Paul Campbell-White, who was appointed on 26 October 2017 and (iv) two Non-Executive Directors, Mark Cranmer and Paul Marshall. Mr Cranmer was appointed on 16 November 2015 and served as a Non-Executive Director throughout the year. Mr Marshall is the nominee Non-Executive Director of Vesuvius Limited and was appointed on 21 September 2016. He served as a Non-Executive Director throughout the year.

The Non-Executive Directors are all considered by the board to be independent of management and free of any relationship which could materially interfere with the exercise of their independent judgment.

The Group's Head of Legal, Alex Davids served as Company secretary throughout the year.

Board operation

The roles of the Chairman and the Chief Executive Officer are separated, clearly defined and their respective responsibilities are summarised below.

Chairman

The Chairman provides leadership to the board. He 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.

Chief Executive Officer

The Chief Executive Officer is responsible for leadership of the Brave Bison's management and its employees on a day to day basis. In conjunction with senior management, he 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

For the year ended 31 December 2017

in place for management to execute that strategy. An important part of the board's role is the review of management performance.

The board met on 13 occasions during 2017. 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.

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
- 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:

- The Audit Committee, comprising Mark Cranmer (Committee Chairman) and Paul Marshall;
- The Remuneration Committee, comprising Paul Marshall (Committee Chairman), Sir Robin Miller and Mark Cranmer; and
- The Nomination Committee, comprising Paul Marshall (Committee Chairman), Sir Robin Miller and Mark Cranmer.

The Terms of Reference for each of the committees are available to view on Brave Bison's website: www.bravebison.io.

Board tenure

Claire Hungate and Paul Campbell-White were each appointed as directors of Brave Bison Group plc by the board after the 2017 AGM. They are therefore retiring in accordance with article 30.2 of the Company's articles of association and, being eligible, are offering themselves for reappointment as Directors at the AGM to be held on 13 June 2018.

BRAVE BISON GROUP PLC (COMPANY NUMBER 08754680)

STATEMENT ON CORPORATE GOVERNANCE

For the year ended 31 December 2017

The board has collectively agreed that the directors proposed for re-election have made significant contributions to the business and each has a key role 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 Directors contribute their considerable collective 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, they helped formulate Brave Bison's strategy.

Relationship with shareholders

Primary responsibility for effective communication with shareholders lies with the Chairman, but all Brave Bison's directors are available to meet with shareholders throughout the year. The Chief Executive Officer 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.

Investor relations (IR) and communications

Brave Bison's Chairman, Chief Executive Officer has attended a number of industry conferences and regularly meets or are 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 matters relating to the Company's shares, directorate changes, new content deals in sports, news and celebrity entertainment and providing trading updates. Copies of these announcements, together with other IR information and documents, are available on Brave Bison's website www.bravebison.io.

BRAVE BISON GROUP PLC (COMPANY NUMBER 08754680)
STATEMENT ON CORPORATE GOVERNANCE

For the year ended 31 December 2017

Summary

In presenting this report, and having monitored, reviewed or approved all shareholder communications since the date of Brave Bison's admission to AIM, the board is confident that it has presented a balanced and understandable assessment of Brave Bison's position and prospects.



Alex Davids
Company Secretary, Brave Bison Group plc
20 March 2017

BRAVE BISON GROUP PLC (COMPANY NUMBER 08754680)
DIRECTORS' REMUNERATION REPORT

For the year ended 31 December 2017

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 three meetings during the year, chaired by Paul Marshall. Sir Robin Miller and Mark Cranmer continued to be members of the Committee. 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

Claire Hungate

Claire Hungate entered into a service agreement with the Company on 1 August 2017. The terms of the agreement provide for, amongst other things, (i) salary of £250,000 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 Claire Hungate of certain rights to intellectual property created or developed by Claire Hungate whilst an employee of the Company. Claire Hungate is 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 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) agrees that other qualitative pre-agreed targets have been met. In 2017, Claire Hungate is entitled to a pro-rated bonus based on time employed during 2017, calculated based on achievement of targets determined by the Remuneration Committee of the Board. Claire Hungate is

BRAVE BISON GROUP PLC (COMPANY NUMBER 08754680)
DIRECTORS' REMUNERATION REPORT

For the year ended 31 December 2017

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 entered into a service agreement with the Company on 26 October 2017. The terms of the agreement provide for, amongst other things, (i) 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 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.

Ashley MacKenzie

Ashley MacKenzie entered into a service agreement with the Company on 17 November 2015. The terms of the agreement provide for, amongst other things, (I) salary of £200,000 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 Ashley MacKenzie of certain rights to intellectual property created or developed by Ashley MacKenzie whilst an employee of the Company. Ashley MacKenzie was also permitted: (a) a bonus of 50 per cent of his base salary, upon achievement by the Group of revenue and EBITDA targets for the year; and (b) a bonus up to a maximum of 50 per cent of his base salary if and to the extent that the Remuneration Committee (in its absolute discretion) agreed that other pre-agreed targets had been met. Ashley MacKenzie was 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.

Ashley MacKenzie resigned his employment on 8 January 2017 and he remained on the board as a Director until 19 September 2017.

Kevin Deeley

Kevin Deeley entered into a service agreement with the Company on 9 May 2016. The terms of the agreement provide for, amongst other things, (i) salary of £140,000 per annum (which was increased to £175,000 per annum from 1 January 2017), payable in monthly instalments in arrears (such salary reviewed annually); (ii) termination upon 6 months' written notice by the Company; and (iii) surrender by Kevin Deeley of certain rights to intellectual property created or developed by Kevin Deeley whilst an employee of the Company. Kevin Deeley was 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 including revenue, operating profit and total

BRAVE BISON GROUP PLC (COMPANY NUMBER 08754680)
DIRECTORS' REMUNERATION REPORT

For the year ended 31 December 2017

operating costs. Kevin Deeley was 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.

Kevin Deeley resigned his employment and his position as Director and Chief Operating and Financial Officer on 15 September 2017.

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 initial term of appointment is four years, unless terminated earlier by either the Company or the Non-Executive Director giving the other one month's prior written notice. 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.

Sir Robin Miller continued as Chairman in 2017 and was paid an annual fee of £55,000 for his services in satisfaction of this role during the period.

Mark Cranmer continued as Non-Executive Director in 2017 and was paid an annual fee of £35,000 for his services in satisfaction of this role during the period.

Paul Marshall continued as Non-Executive Director in 2017 and was paid an annual fee of £30,000 for his services in satisfaction of this role during the period.

Audited information

	Salary and pension £000's	Compensation for loss of office £000's	Bonus £000's	Aggregate Emoluments £000's
C Hungate	94	-	40	134
P Campbell-White	28	-	-	28
A MacKenzie	152	60	-	212
K Deeley	138	41	65	244

Non-Executive Directors

The Non-Executive Directors serve under Contracts, and have received fees in 2017, as detailed in the table below:

	Fees £000's
R Miller	55
M Cranmer	35
P Marshall	30

BRAVE BISON GROUP PLC (COMPANY NUMBER 08754680)
DIRECTORS' REMUNERATION REPORT

For the year ended 31 December 2017

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 2017 were as follows:

	Granted during the year	Exercised during the year	Lapsed in the year	Outstanding as at 31 December 2017	Exercise prices	Vesting Dates
Claire Hungate	28,695,461	-	-	28,695,461	0.1p	Aug 2017–Aug 2019
Paul Campbell-White	5,739,092	-	-	5,739,092	0.1p	Oct 2017–Oct 2020

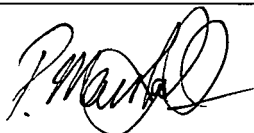
The interests of the Non-Executive Directors in Ordinary Shares subject to awards under this plan as at 31 December 2017, were as follows:

	Granted during the year	Exercised during the year	Lapsed in the year	Outstanding as at 31 December 2017	Exercise prices	Vesting Dates
Robin Miller	-	-	-	1,172,859	5.0p	Feb 2017–Feb 2020
Mark Cranmer	-	-	-	1,422,859	5.0p	Feb 2017–Feb 2020

Directors' interests

The interests of the Directors in the issued Ordinary Shares as at 31 December 2017 are as follows:

Director	Number of Ordinary Shares
C Hungate	-
P Campbell-White	-
R Miller	1,693,243
M Cranmer	800,000



Paul Marshall

Chairman of the Remuneration Committee, Brave Bison Group plc

BRAVE BISON GROUP PLC (COMPANY NUMBER 08754680)**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF BRAVE BISON GROUP PLC**

For the year ended 31 December 2017

Independent auditor's report to the members of Brave Bison Group plc**Our opinion on the financial statements is unmodified**

We have audited the financial statements of Brave Bison Group plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2017 which comprise the Consolidated Income Statement and Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Cash Flows, the Consolidated Statements of Changes in Equity, Company Balance Sheet, 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 the 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 2017 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.

Who we are reporting to

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 so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

For the year ended 31 December 2017

Conclusions relating to going concern

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

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



Overview of our audit approach

- Overall materiality: £189,000, which represents 2% of the Group's forecasted revenue.
- Key audit matters were identified as improper revenue recognition and impairment of intangible assets in respect of the group, and impairment of investments in respect of the parent company.
- The operations that were subject to full-scope or targeted audit procedures made up 100% of consolidated revenues and 97% of total assets.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those that 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.

BRAVE BISON GROUP PLC (COMPANY NUMBER 08754680)**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF BRAVE BISON GROUP PLC (CONTINUED)**

For the year ended 31 December 2017

Key Audit Matter – Group	How the matter was addressed in the audit – Group
Improper revenue recognition Revenues of £9.14 million have been recognised in the year ended 31 December 2017, arising substantially from the sale of services. Revenue is the most 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, arising from: - recognition of revenue in the wrong period; - revenue is not recognised in accordance with IFRSs as adopted by the European Union; and - manipulation of revenues around the year-end through to management override. We therefore identified improper revenue recognition as a significant risk, which was one of the most significant assessed risks of material misstatement.	Our audit work included, but was not restricted to: - Evaluating revenue recognition policies to ensure compliance with International Accounting Standard (IAS) 18 'Revenue', this included assessing the treatment of each revenue stream under the principal versus agent criteria to ensure appropriate gross versus net presentation; - Testing a sample of individual revenue items during the year and around the year-end, agreeing items selected for testing through to supporting evidence including sales invoice, contracts and cash receipts; and - Assessing credit journal entries posted to revenue during year where the corresponding debit entries were not in line with the audit team's expectation of debtors, accrued income or deferred income. For entries not in line with expectation, supporting evidence was obtained to ensure appropriateness. The group's accounting policy on revenue recognition is shown in Note 4.1 to the financial statements and related disclosures are included in Note 6.

Key observations

Our testing did not identify any material deviations in the group's revenue recognition policies from IAS 18. In addition, our audit work did not identify any material errors in the occurrence of revenue recognised in the year.

For the year ended 31 December 2017

Key Audit Matter – Group	How the matter was addressed in the audit – Group
Impairment 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, management identified indicators of impairment in relation to the Group's technology and customer relationship assets and recorded impairment charges of £1.6 million and £10.6 million, respectively. 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. We therefore identified impairment of intangible assets as a significant risk, which was one of the most significant assessed risks of material misstatement.	Our audit work included, but was not restricted to: - Assessing and challenging the impairment indicators identified by management relating to each asset; - Obtaining and recalculating management's cash flow forecasts utilised in the impairment assessment; - Challenging management's assumptions utilised in the impairment models, including cash flow forecasts, growth rates, discount rates and through performing a sensitivity analysis on the impact of each assumption; and - Evaluating the accounting policy and detailed disclosures to ensure information provided in the financial statements is compliant with the requirements of IAS 36 and consistent with the results of the impairment review. The group's accounting policy on impairment of intangible assets is shown in Note 4.9 to the financial statements and related disclosures are included in Note 13. Key observations Based on our audit work, we concluded that management's impairment charge is appropriately stated based on the value in use calculations and indicators of impairment identified.

BRAVE BISON GROUP PLC (COMPANY NUMBER 08754680)**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF BRAVE BISON GROUP PLC (CONTINUED)**

For the year ended 31 December 2017

Key Audit Matter – Parent**How the matter was addressed in the audit – Parent**

Impairment of investments

The directors are required to make an assessment to determine whether the carrying value of the Company's investments in subsidiaries balance is recoverable. The directors have determined the Company's investment balance to be impaired at 31 December 2017 and have recorded an impairment charge of £9.97 million.

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 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.

We therefore identified the impairment of investments as a significant risk, which was one of the most significant assessed risks of material misstatement.

Our audit work included, but was not restricted to:

- Assessing and challenging the impairment indicators identified by management relating to the investment balance;
- Obtaining and recalculating management's cash flow forecasts utilised in the impairment assessment;
- Challenging management's assumptions utilised in the impairment models, including cash flow forecasts, growth rates, discount rates and through performing a sensitivity analysis on the impact of each assumption;
- Comparing the current market capitalisation to carrying value of net assets and calculated value in use for the Group; and
- Evaluating the accounting policy and detailed disclosures to ensure information provided in the financial statements is compliant with the requirements of IAS 36 and consistent with the results of the impairment review.

The company's accounting policy on investments is shown in Note 28 to the financial statements and related disclosures are included in Note 29.

Key observations

Based on our audit work, we concluded that management's impairment charge is appropriately stated as based on the projected discounted cash flow forecasts and expected recoverable amount.

BRAVE BISON GROUP PLC (COMPANY NUMBER 08754680)**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF BRAVE BISON GROUP PLC (CONTINUED)**

For the year ended 31 December 2017

Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality in determining the nature, timing and extent of our audit work and in evaluating the results of that work.

Materiality was determined as follows:

Materiality measure	Group	Parent
Financial statements as a whole	£189,000, which is 2% of Group forecasted group revenue. We chose not to revise our materiality during the course of the audit once the final group revenue, which was lower than the forecasted group revenue, was known. This benchmark is considered the most appropriate because it is a key focus area for management and the users of the accounts and represents underlying growth of the business. A profit based benchmark was not utilised given volatile nature of the group's earnings. Materiality for the current year is lower than the level that we determined for the year ended 31 December 2016 to reflect the decrease in group revenues.	£170,000, which represents 2% of the Company's net assets, capped at 90% of Group materiality. This benchmark is considered the most appropriate because it is a key focus area for management and the users of the financial statements. Materiality for the current year is lower than the level that we determined for the year ended 31 December 2016 to reflect the decrease in revenues, and the capping noted above.
Performance materiality used to drive the extent of our testing	70% of financial statement materiality.	70% of financial statement materiality.
Specific materiality	We determined a lower level of specific materiality for certain areas such as directors' remuneration and related party transactions.	We determined a lower level of specific materiality for certain areas such as directors' remuneration and related party transactions.
Communication of misstatements to the audit committee	£9,000 and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.	£9,000 and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

BRAVE BISON GROUP PLC (COMPANY NUMBER 08754680)**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF BRAVE BISON GROUP PLC (CONTINUED)**

For the year ended 31 December 2017

An overview of the scope of our audit

Our audit approach was based on a thorough understanding of the Group's business and is risk-based. An interim visit was conducted before the year-end to complete advance substantive audit procedures and to evaluate the Group's internal controls environment including its IT systems. The components of the Group were evaluated by the Group audit team based on a measure of materiality considering each as a percentage of total Group assets, liabilities, revenues and profit before taxes, to assess the significance of the component and to determine the planned audit response.

For those components that were evaluated as significant, either a full-scope or targeted 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 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 described above as 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 the UK entities, Brave Bison Limited, Base79 Limited and Viral Management Limited. We performed targeted procedures over the other component entities in Australia, India, Singapore and the United States. The operations that were subject to full-scope or targeted audit procedures made up 100% of consolidated revenues and 97% of total assets.

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.

Our opinion on other matters prescribed by the Companies Act 2006 is unmodified

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

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

BRAVE BISON GROUP PLC (COMPANY NUMBER 08754680)

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF BRAVE BISON GROUP PLC (CONTINUED)

For the year ended 31 December 2017

Matters on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the report of the directors.

Matters on which we are required to report by exception

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

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

Responsibilities of directors for the financial statements

As explained more fully in the statement of directors' responsibilities 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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



Mark Henshaw
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
20 March 2018

BRAVE BISON GROUP PLC (COMPANY NUMBER 08754680)**CONSOLIDATED INCOME STATEMENT AND CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

For the year ended 31 December 2017

	Note	31 December 2017 £000's	31 December 2016 £000's
Total revenues including commission share		17,792	26,536
Less commission share		(8,652)	(8,817)
Revenue	6	9,140	17,719
Cost of sales		(4,282)	(10,040)
Gross profit		4,858	7,679
Administration expenses		(8,747)	(12,913)
Restructuring costs	8	(1,049)	(1,209)
Operating loss	7	(4,938)	(6,443)
Impairment charge	13	(12,181)	-
Finance income		-	13
Finance costs	9	(38)	(55)
Loss before tax	7	(17,157)	(6,485)
Analysed as			
Operating loss before tax adjusted for restructuring costs and share based payments		(907)	(1,812)
Restructuring costs	8	(1,049)	(1,209)
Equity settled share based payments	22	209	(511)
EBITDA		(1,747)	(3,532)
Finance costs		(38)	(55)
Finance income		-	13
Impairment charge		(12,181)	-
Depreciation	14	(121)	(75)
Amortisation	13	(3,070)	(2,836)
Loss before tax		(17,157)	(6,485)
Income tax credit	10	2,308	589
Loss attributable to equity holders of the parent		(14,849)	(5,896)
Statement of Comprehensive Income			
Loss for the year		(14,849)	(5,896)
Items that may be reclassified subsequently to profit or loss			
Exchange loss on translation of foreign subsidiaries		(26)	(511)
Total comprehensive loss for the year attributable to owners of the parent		(14,875)	(6,407)
Loss per share (basic and diluted)			
Basic and diluted loss per ordinary share (pence)	11	(2.59p)	(1.04p)

All transactions arise from continuing operations.

BRAVE BISON GROUP PLC (COMPANY NUMBER 08754680)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2017

	Note	At 31 December 2017 £000's	At 31 December 2016 £000's
Non-current assets			
Intangible assets	13	2,268	17,019
Property, plant and equipment	14	88	123
Investment in associates	15	75	-
		<u>2,431</u>	<u>17,142</u>
Current assets			
Trade and other receivables	17	4,345	6,457
Cash and cash equivalents		<u>4,821</u>	<u>7,051</u>
		<u>9,166</u>	<u>13,508</u>
Current liabilities			
Trade and other payables	18	(6,201)	(7,847)
Borrowings and other financial liabilities	19	-	(389)
		<u>(6,201)</u>	<u>(8,236)</u>
Non-current Liabilities			
Deferred tax	16	(226)	(2,544)
Net Assets		<u>5,170</u>	<u>19,870</u>
Equity			
Share capital	20	574	572
Share premium		78,762	78,312
Capital redemption reserve		6,660	6,660
Merger reserve		(24,060)	(24,060)
Convertible loan note	19	-	68
Merger relief reserve		62,624	62,624
Retained deficit		(118,641)	(103,583)
Translation reserve		<u>(749)</u>	<u>(723)</u>
Total equity		<u>5,170</u>	<u>19,870</u>

The financial statements on pages 33 to 65 were authorised for issue by the Board of Directors on 20 March 2018 and were signed on its behalf by



Paul Campbell-White
Director

BRAVE BISON GROUP PLC (COMPANY NUMBER 08754680)
CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2017

	2017 £000's	2016 £000's
Operating activities		
Loss before tax	(17,157)	(6,485)
Adjustments:		
Depreciation, amortisation and impairment	15,372	2,911
Finance income	-	(13)
Finance costs	38	55
Share based payment charges	(209)	511
Movement in foreign exchange	(19)	(550)
Decrease in trade and other receivables	2,111	988
(Decrease) in trade and other payables	(1,654)	(1,922)
Tax paid	(10)	(6)
Cash outflow from operating activities	(1,528)	(4,511)
Investing activities		
Purchase of property plant and equipment	(86)	(119)
Purchase of intangible assets	(500)	(793)
Investments	(75)	-
Interest received	-	13
Cash outflow from investing activities	(661)	(899)
Cash flows from financing activities		
Issue of share capital	2	10,002
Share issue costs	-	(714)
Interest paid	(38)	-
Cash (outflow)/inflow from financing activities	(36)	9,288
Net change in cash and cash equivalents	<u>(2,225)</u>	<u>3,878</u>
Movement in net cash		
Cash and cash equivalents, beginning of year	7,051	3,134
(Decrease)/increase in cash and cash equivalents	(2,225)	3,878
Movement in foreign exchange	(5)	39
Cash and cash equivalents, end of year	<u>4,821</u>	<u>7,051</u>

BRAVE BISON GROUP PLC (COMPANY NUMBER 08754680)
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2017

	Share Capital £000's	Share premium £000's	Capital redemption Reserve £000's	Convertible Loan Note £000's	Merger Reserve £000's	Merger relief Reserve £000's	Translation Reserve £000's	Retained deficit £000's	Total Equity £000's
At 1 January 2016	369	69,227	6,660	68	(24,060)	62,624	(212)	(98,198)	16,478
Shares issued during the year	200	9,799	-	-	-	-	-	-	9,999
Share issue costs	-	(714)	-	-	-	-	-	-	(714)
Equity settled share based payments	-	-	-	-	-	-	-	511	511
Exercise of share options	3	-	-	-	-	-	-	-	3
Transactions with owners	203	9,085	-	-	-	-	-	511	9,799
Other Comprehensive income									
Loss and total comprehensive income for the year	-	-	-	-	-	-	(511)	(5,896)	(6,407)
At 31 December 2016	572	78,312	6,660	68	(24,060)	62,624	(723)	(103,583)	19,870
Shares issued during the year	-	-	-	-	-	-	-	-	-
Share issue costs	-	-	-	-	-	-	-	-	-
Equity settled share based payments	-	-	-	-	-	-	-	(209)	(209)
Conversion of loan note	2	450	-	(68)	-	-	-	-	384
Transactions with owners	2	450	-	(68)	-	-	-	(209)	175
Other Comprehensive income									
Loss and total comprehensive income for the year	-	-	-	-	-	-	(26)	(14,849)	(14,875)
At 31 December 2017	574	78,762	6,660	-	(24,060)	62,624	(749)	(118,641)	5,170

For the year ended 31 December 2017

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 3rd Floor, 1 Neal Street, London, WC2H 9QL. 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 2017 comprise the Company and its subsidiaries (together referred to as the “Group”). The Group provides an online video distribution and marketing network, providing rights holders, online publishers and advertisers with the tools and expertise required to engage audiences and optimise digital revenues. 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 page 8 and Risks and Uncertainties in page 11. In addition, Note 24 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. The Group is dependent for its working capital requirements on cash generated from operations, cash holdings and from equity markets. The cash holdings of the Group at 31 December 2017 were £4.8 million (2016: £7.1 million).

The Group made a loss before tax of £17.2 million for the year ended 31 December 2017 (2016: £6.5 million).

The Directors have prepared detailed cash flow projections (“the Projections”) which are based on their current expectations of trading prospects. The board forecasts that the Group will achieve a positive cash inflow in 2019 and has sufficient cash on hand to reach that goal. Accordingly, the Directors have concluded that it is appropriate to continue to adopt the going concern basis in preparing 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.

In February 2018 the Group cancelled its £2.0 million overdraft facility with Barclays Bank as it had not been drawn down since it was taken out in 2016 and current cash flow forecasts indicate that it will not be required.

For the year ended 31 December 2017

2.2. 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 2017, with comparative information presented for the year ended 31 December 2016. 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.

2.3. Adoption of new and revised standards

New and amended standards issued in the year have not had a significant impact on the financial statements. At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published by the IASB and adopted by the EU but are not yet effective, and have not been adopted early by the Group. Management anticipates that all of the relevant pronouncements will be adopted in the Group's accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Group's financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Group's financial statements.

IFRS 15 'Revenue from Contracts with Customers', presents new requirements for the recognition of revenue, replacing IAS 18 'Revenue', IAS 11 'Construction Contracts', and several revenue-related interpretations. The new standard is effective for reporting periods beginning on or after 1 January 2018. The

For the year ended 31 December 2017

standards requires the identification of performance obligations in contracts with customers and allocation of the total contractual value to each of the performance obligations identified. Revenue is recognised as each performance obligation is satisfied either at a point in time or over time. An impact assessment has been undertaken which involved the review of all contract types across the Group. There is no impact on the timing of cash receipts, which are determined by the terms and conditions of contract with the customers. The assessment has not indicated any significant changes will be required to the Group's revenue recognition policies.

IFRS 9, 'Financial Instruments' (effective 1 January 2018). An initial assessment has indicated that this new standard will not significantly impact the Group's current accounting. This is because the Group does not have any complex financial instruments.

IFRS 16 'Leases' (effective 1 January 2019). This standard will change lease accounting for lessees under operating leases. Based on the Group's current lease structure (see Note 25) it is not expected that this new standard will have a significant impact on the presentation of the Group's assets and liabilities.

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.

Gross versus Net Revenue recognition:

The Group must determine whether to report revenue based on the gross amount billed to the ultimate customer or on the net amount received from the customer after commissions and other payments to third parties. To the extent revenues are recorded on a gross basis, any commissions or other payments to third parties are recorded as expense so that the net amount (gross revenues less expense) is reflected in Operating Profit. Accordingly, the impact on Operating Profit is the same whether the Group records revenue on a gross or net basis.

For the year ended 31 December 2017

The determination of whether revenue should be reported on a gross or net basis is based on an assessment of whether the Group is acting as the principal or an agent in the transaction. If the Group is acting as a principal in a transaction, the Group reports revenue on a gross basis. If the Group is acting as an agent in a transaction, the Group reports revenue on a net basis. The determination of whether the Group is acting as a principal or an agent in a transaction involves judgment and is based on an evaluation of the terms of an arrangement:

- The Group serves as the principal in transactions in which it has substantial risks and rewards of ownership. In the context of Brave Bison's business we take this to be where we have agreed a "buy out" of content which means the Group acts as the principal and pays an agreed fee to the rights holder but then retains all revenues associated with the monetisation of the rights. Both risk and reward are hence taken on by Brave Bison;
- The Group serves as an agent in transactions in which the Group does not guarantee a level of revenue that will be generated by the Rights Holder. In addition it does not modify or alter the video received from the Rights Holder other than what is required for the fulfilment of the contractual obligations agreed with the customer.

When an agency relationship exists, the costs associated with the revenue derived are reported within commission share expense. Costs associated with revenue in which Brave Bison is the principal are reported within cost of sales.

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

Advertising revenue:

- Monetisation of content owners' videos via platforms and other third party publishers such as YouTube and Facebook through revenue share or licensing agreements. The Group is acting as an agent and recognises only its proportion of the revenue share agreement. Revenue is recognised during the period that the advertising is earned.

In the instances above, Brave Bison's fee is a revenue share in the transaction, which is either a share of the gross receipts or a share of the net amount accruing to the rights holder. The Group therefore acts as an agent in executing transactions between these third parties.

Fee Based Service revenue:

- Managing the creation of commissioned content and being responsible for procuring the talent and the associated production costs. The Group recognises revenue on delivery of campaigns on an episodic basis;
- Delivering a target level of website views within the boundaries of the budget allocated by the customer. The Group recognises revenue on a gross revenue basis as it is acting as principal.

In the instances above, Brave Bison has taken on the risks and rewards of ownership as the Group will incur costs associated with fulfilling the agreements regardless of the level of revenue recognised i.e. there is a risk that fulfilling the contract may result in a much lower gross margin than was expected.

- Managing customer content on YouTube. The Group recognises revenue on a gross revenue basis as it is acting as principal;

For the year ended 31 December 2017

- Providing agencies with requested content. The Group recognises revenue on a gross revenue basis as it is acting as principal;
- Providing content direct to the consumer on a subscription basis. Revenue is recognised evenly over the subscription period. The Group recognises revenue on a gross revenue basis as it is acting as principal;
- Services relating to the placement and distribution of theatrical trailers in the film industry. The Group recognises revenue on a gross revenue basis as it is acting as principal.

In all instances above, Brave Bison has taken on the risks and rewards of ownership as the Group will incur costs associated with fulfilling the contracts for services regardless of the level of revenue recognised i.e. there is a risk that the service may be completed for much higher costs than expected or that the level of revenue to be billed is lower than expected. Revenue for fee based services is recognised during the period that the services were performed.

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. 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.

4.4. 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).

For the year ended 31 December 2017

The board has reviewed the Group and all revenues are functional activities of monetising online video content 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 only a geographical split as it considers that all activities fall within one segment of business which is monetising online video content.

Segmental information is presented in accordance with IFRS 8 for all periods presented within Note 6.

4.5. Leasing

Rentals payable under operating leases are charged to the income statement on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

4.6. 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
- 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.

4.7. 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.

For the year ended 31 December 2017

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.

4.8. 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 to 10 years
- Online channel content - 3 years
- Brands – 3 years
- Technology – 1 to 5 years

4.9. 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.

4.10. 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

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- 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.

4.11. 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.

4.12. 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.

4.13. Financial Instruments

Financial assets

Financial assets are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Loans and receivables

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are initially recognised at fair value and are subsequently measured using the effective interest method less provision for any impairment.

Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Other financial liabilities (including borrowing and trade and other payables) are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

Financial liability instruments

Deferred consideration is measured at fair value discounted using the Group's average cost of capital.

Contingent consideration is determined using a combination of management forecasts and projections for relevant scenarios in order to estimate the most likely outcome for a given transaction.

4.14. 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.

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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 contribution 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.

4.15. Convertible loan note

Compound financial instruments issued by the Company comprise convertible loan notes that can be converted to share capital at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value. The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period. On conversion of the compound instrument to equity, the shares are issued by the Company in line with the terms of the instrument agreement. Any difference between the nominal value of the shares issued and the conversion price is credited to the share premium account.

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.

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

Impairment of goodwill

The Group is required to test, at least annually, whether goodwill has 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.

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. The Group continues to recognise revenue from these customer relationships through revenue share and licensing agreements. These assets are amortised over a period between 5 to 10 years on a straight line basis and were deemed to be impaired during the year (see Note 13).

Deferred taxation

Deferred tax assets and liabilities have been recognised which are contingent and dependent upon future trading performance.

Development of Online Channel Content

Costs associated with the development of SlashFootball, a network of social media channels and content that is owned and operated by Brave Bison, that are directly attributable to the design and building of the channel controlled by the Group are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the online channel content so that it will be available for use;
- Management intends to complete the online channel content and use or sell it;
- There is an ability to use or sell the online channel content;
- It can be demonstrated how the online channel content will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the online channel content are available;
- The expenditure attributable to the online channel content during its development can be reliably measured.

Furthermore management must estimate the expected useful lives of intangible assets and charge amortisation on these assets accordingly.

5.1. Critical accounting judgements - continued*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 evaluation of the terms of an arrangement. The Group serves as the principal in transactions in which it has substantial risks and rewards of ownership. The difference in treatment between principal and agent will impact gross and net revenue and cost of sales.

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 0.67% to 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.

For the year ended 31 December 2017

6 Segment reporting

As explained in the summary of Accounting Policies, management identify only one operating segment in the business, being monetising online video content. This single operating segment is monitored and strategic decisions are made on the basis of this segment alone.

As a result only the geographic reporting of turnover analysis has been included in this note. Two customers in 2017 (2016: Two) represented over 10% of the Group's total revenue.

Geographic reporting

Brave Bison 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.

	2017 £000's	2016 £000's
Revenue		
United Kingdom & Europe	8,016	16,937
Asia Pacific	3,163	2,820
Rest of the world	6,613	6,779
Total Revenues including commission share	17,792	26,536
Less commission share	(8,652)	(8,817)
Revenue	9,140	17,719

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.

	2017 £000's	2016 £000's
Advertising	4,038	10,884
Fee based services	5,102	6,835
	9,140	17,719

For the year ended 31 December 2017

7 Operating loss and loss before taxation

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

	2017 £000's	2016 £000's
Auditor's remuneration:		
- Audit services	83	94
- Tax advisory services	16	41
- Other services	10	30
Operating lease rentals – land and buildings	461	728
Depreciation: property, plant and equipment	121	75
Impairment of intangible assets	12,181	-
Amortisation	3,070	2,836
Foreign exchange loss/(gain) on trading items	411	(493)
Foreign exchange (gain) on balance sheet monetary items	(17)	(883)

8 Restructuring costs

	2017 £000's	2016 £000's
Restructuring costs	1,049	1,209
	<u>1,049</u>	<u>1,209</u>

Restructuring costs relate to corporate re-organisation activities previously undertaken or announced.

9 Finance costs

	2017 £000's	2016 £000's
Interest payable	38	55
	<u>38</u>	<u>55</u>

Interest payable is from the convertible loan note which converted to equity on 21 September 2017 (see Note 19).

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10 Tax expense

Major components of tax credit:

	2017 £000's	2016 £000's
Current tax:		
UK corporation tax at 19.00% (2016: 20.00%)	-	-
Overseas tax	10	6
Total current tax	<u>10</u>	<u>6</u>

Deferred Tax:

Originations and reversal of temporary differences (Note 16)	<u>(2,318)</u>	<u>(595)</u>
Tax credit on loss on ordinary activities	<u>(2,308)</u>	<u>(589)</u>

UK corporation tax is calculated at 19.25% (2016: 20.00%) 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:

	2017 £000's	2016 £000's
Loss on ordinary activities before tax	<u>(17,157)</u>	<u>(6,485)</u>
Income tax using the Company's domestic tax rate 19.25% (2016: 20.00%)	(3,303)	(1,297)
Effect of:		
Expenses not deductible for tax purposes	18	152
Amortisation and impairment of intangible assets	-	567
Deferred tax asset not recognised on timing differences	86	(509)
Unutilised tax losses carried forward	<u>891</u>	<u>498</u>
Total tax credit for period	<u>(2,308)</u>	<u>(589)</u>

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 2016 or 2017. 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 diluted EPS as they were antidilutive.

	2017 £000's	2016 £000's
Loss for the year attributable to ordinary shareholders	(14,849)	(5,896)
Equity settled share based payments	(209)	511
Amortisation, depreciation and impairment	15,372	2,911
Adjusted profit / (loss) for the period attributable to the equity shareholders	<u>314</u>	<u>(2,474)</u>
Weighted average number of ordinary shares	572,349,420	566,515,406
Basic and diluted (loss) per ordinary share (pence)	<u>(2.59p)</u>	<u>(1.04p)</u>
Adjusted basic and diluted profit/ (loss) per ordinary share (pence)	<u>0.05p</u>	<u>(0.44p)</u>

For the year ended 31 December 2017

12 Directors and employees

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

	2017 Number	2016 Number
Finance, Legal, HR and senior executives	12	15
Technology and infrastructure	4	15
Sales, account management & audience development	45	88
	<u>61</u>	<u>118</u>

The aggregate cost of these employees was:

	2017 £000's	2016 £000's
Wages and salaries	3,005	5,831
Payroll taxes	364	729
Pension contributions	72	62
	<u>3,441</u>	<u>6,622</u>

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

	2017 £000's	2016 £000's
Emoluments (including compensation for loss of office)	<u>737</u>	<u>1,149</u>

The highest paid Director received emoluments totalling £0.2 million (2016: £0.3 million). The amount of share based payments charge (see Note 22) which relates to the Directors was £0.1 million credit (2016: £0.4 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:

	2017 £000's	2016 £000's
Salaries including bonuses	617	765
Social security costs	86	106
Total Emoluments	<u>703</u>	<u>871</u>

BRAVE BISON GROUP PLC (COMPANY NUMBER 08754680)**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2017

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 2015	35,075	-	5,213	273	19,332	59,893
Additions	-	793	-	-	-	793
At 31 December 2016	35,075	793	5,213	273	19,332	60,686
Additions	-	500	-	-	-	500
At 31 December 2017	35,075	1,293	5,213	273	19,332	61,186
Amortisation and impairment						
At 31 December 2015	35,075	-	1,909	137	3,710	40,831
Charge for the year	-	-	850	91	1,895	2,836
At 31 December 2016	35,075	-	2,759	228	5,605	43,667
Charge for the year	-	287	843	45	1,895	3,070
Impairment charge	-	-	1,611	-	10,570	12,181
At 31 December 2017	35,075	287	5,213	273	18,070	58,918
Net Book Value						
At 31 December 2015	-	-	3,304	136	15,622	19,062
At 31 December 2016	-	793	2,454	45	13,727	17,019
At 31 December 2017	-	1,006	-	-	1,262	2,268

During the year Brave Bison had capitalised costs of £0.5 million (2016: £0.8 million) relating to the development of Slash Football, a network of social media channels and content that is owned and operated by Brave Bison.

Brave Bison considers that the capitalised costs fall under IAS 38 as the Company intends to retain all intellectual property relating to the channel and has no intention to sell the content. The Directors consider that the capitalised costs meet the requirements of IAS 38 in that Brave Bison has the intention and the technical knowledge to complete the Slash Football project and that it demonstrates the potential to derive future economic benefits.

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

For the year ended 31 December 2017

13 Intangible assets - continued

The recoverable amount of the intangible asset has 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 2017, the intangible assets were assessed for impairment. The newly appointed management team have adopted a new strategy and have re-assessed projected cash flows relating to technology and customer relationship intangible assets. The technology software assets are now deemed to be obsolete and so have no value in use nor any fair value (less cost of sale). Customer relationship intangible assets have been impaired due to declining licensing revenues (from Viral Management Ltd acquisition) and a decrease in platform revenues (from Base 79 Ltd acquisition). This has resulted in an overall impairment charge in 2017 of £12.2 million.

The estimated cash flows for a period of 5 years were developed using internal forecasts, and a pre-tax discount rate of 15%. 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

	Computer Equipment £000's	Fixtures & Fittings £000's	Total £000's
At 31 December 2015	814	42	856
Additions	49	70	119
At 31 December 2016	863	112	975
Additions	35	51	86
At 31 December 2017	898	163	1,061
Depreciation and impairment			
At 31 December 2015	744	33	777
Charge for the year	61	14	75
At 31 December 2016	805	47	852
Charge for the year	41	80	121
At 31 December 2017	846	127	973
Net Book Value			
At 31 December 2015	70	9	79
At 31 December 2016	58	65	123
At 31 December 2017	52	36	88

BRAVE BISON GROUP PLC (COMPANY NUMBER 08754680)**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2017

15 Investment in associates

	2017 £000's	2016 £000's
Investment in associates	75	-
	<u>75</u>	<u>-</u>

During 2017 the Group purchased a 30% stake in Rebel FC Limited, a football team made up of established young stars of social media. This investment has been accounted for as an associate as the Group has significant control over this entity. Rebel FC Limited started trading in 2017 and broke even in the period to 31 December 2017.

16 Deferred taxation assets and liabilities

Deferred tax recognised:

	2017 £000's	2016 £000's
Deferred tax liabilities		
Deferred tax on intangible assets	(226)	(2,544)
	<u>(226)</u>	<u>(2,544)</u>

Unutilised tax losses carried forward which have not been recognised as a deferred tax asset at 31 December 2017 were £54.0 million (2016: £52.4 million).

Reconciliation of movement in deferred tax

	Deferred tax on intangible assets £000's
As at 31 December 2015	(3,139)
Recognised in the income statement	595
As at 31 December 2016	<u>(2,544)</u>
Recognised in the income statement	2,318
As at 31 December 2017	<u>(226)</u>

The increase in the amount of deferred tax recognised during 2017 was due to the £12.2 million intangible asset impairment.

For the year ended 31 December 2017

17 Trade and other receivables

	2017	2016
	£000's	£000's
Trade receivables	3,497	4,262
Less provision for impairment	(211)	(393)
Net trade receivables	3,286	3,869
Accrued income	556	2,052
Other receivables	503	536
	<u>4,345</u>	<u>6,457</u>

All trade receivable amounts are short term. All of the Group's trade and other receivables have been reviewed for indicators of impairment and where necessary, a provision for impairment provided. The carrying value is considered a fair approximation of their fair value. The Group's management considers that all financial assets that are not impaired or past due are of good credit quality.

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

	2017	2016
	£000's	£000's
Opening provision	(393)	(145)
Receivables provided for during period	(132)	(382)
Reversal of previous provisions	314	134
	<u>(211)</u>	<u>(393)</u>

In addition, some of the unimpaired trade receivables of the Group are past due as at the reporting date. The age of financial assets past due, but not impaired, is as follows:

	2017	2016
	£000's	£000's
Not more than three months	313	1,034
More than three months but not more than six months	4	1,309
More than six months but not more than one year	175	416
More than one year	533	-
	<u>1,025</u>	<u>2,759</u>

18 Trade and other payables

	2017	2016
	£000's	£000's
Trade payables	993	3,012
Other payables	90	185
Other taxation and social security	90	54
Deferred income	343	31
Accruals	4,685	4,565
	<u>6,201</u>	<u>7,847</u>

18 Trade and other payables - continued

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 87 days (2016: 109 days).

19 Borrowings and other financial liabilities

	2017 £000's	2016 £000's
Due within one year:		
Debt element of convertible loan notes	-	389
Due in more than one year:		
Debt element of convertible loan notes	-	-
	<u>-</u>	<u>389</u>

On 21 September 2017, the Group issued 2,131,104 new ordinary shares of 0.1 pence each in the company following receipt of a notice of conversion in relation to the £0.4 million unsecured 5% convertible loan notes, originally subscribed on 14 August 2015 and convertible at £0.18 pence per share. The new shares rank pari passu in all respects with the company's existing shares.

The loan notes above are regarded as compound instruments, consisting of a liability component and an equity component. The fair value of the liability component has been estimated and the fair value assigned to the liability and shown as a non-current liability, whilst the equity component of £0.1 million was shown in equity at 31st December 2016. In valuing the loan notes the likelihood of conversion has not been taken into account given this is under control of the loan note holder.

20 Share capital**Ordinary share capital**

	At 31 December 2017		At 31 December 2016	
	Number	£000's	Number	£000's
Ordinary shares of £0.001	573,909,229	574	571,628,125	572
Total ordinary share capital of the Company		<u>574</u>		<u>572</u>

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 21.

For the year ended 31 December 2017

21 Reconciliation of share capital

	2017		2016	
	Ordinary Shares Number £0.0000001	Ordinary Share Capital £000's	Ordinary Shares Number £0.0000001	Ordinary Share Capital £000's
Opening balance	571,628,125	572	369,143,635	369
Issue of ordinary shares	2,281,104	2	202,484,490	203
Closing balance	<u>573,909,229</u>	<u>574</u>	<u>571,628,125</u>	<u>572</u>

22 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
- 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.

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

	2017	2016 and prior
Expected option life	4 years	4 years
Expected volatility	50%	50%
Weighted average volatility	50%	50%
Risk-free interest rate	0.73%	0.67% - 2.74%
Expected dividend yield	0%	0%

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 (credit)/charge included within the financial statements for share options for the year to 31 December 2017 is (£0.2) million (2016: £0.5 million). The credit for the year is due to the number of senior management leavers.

22 Share options - continued

Details of the options issued under the approved scheme are as follows:	Number	Weighted average exercise price
Outstanding at the beginning of the year	88,798,314	9.0p
Granted during the year	34,434,553	0.1p
Exercised during the year	(150,000)	(0.1)p
Cancelled during the year	<u>(60,940,379)</u>	<u>(3.5)p</u>
Outstanding at the end of the year	62,142,488	5.5p
Exercisable at the end of the year	27,815,139	11.0p

The weighted average share price on the date options were exercised was 1.125p.

Share options expire after 10 years, the options above expiring between June 2022 and October 2027.

23 Undertakings included in the financial statements

The consolidated financial statements include:

	Class of share held	Country of incorporation	Proportion held	Nature of business
Brave Bison Limited	Ordinary	UK	100%	Online video distribution
Rightster Inc.	Ordinary	USA	100%	Non-trading
Rightster India LLP	Ordinary	India	100%	Non-trading
Rightster Gibraltar	Ordinary	Gibraltar	100%	Non-trading
Preview Networks ApS	Ordinary	Denmark	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%	Non-trading
Base 79 SL	Ordinary	Spain	100%	Non-trading
Base 79 GMBH	Ordinary	Germany	100%	Non-trading
Base 79 SARL	Ordinary	France	100%	Non-trading
Brave Bison Asia Pacific Pte	Ordinary	Singapore	100%	Online video distribution

For the year ended 31 December 2017

24 Financial Instruments

Categories of financial instruments	As at 31 December 2017 £000's	As at 31 December 2016 £000's
Financial assets		
Loans and receivables	4,345	6,457
Cash and bank balances	4,821	7,051
	<u>9,166</u>	<u>13,508</u>
Financial liabilities at amortised cost		
Trade and other payables	(6,201)	(7,847)
Borrowings	-	(389)
	<u>(6,201)</u>	<u>(8,236)</u>

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 Indian Rupee.

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:

	Indian Rupee £000's	US Dollar £000's	Euro £000's	Sterling £000's	Other £000's	Total £000's
Financial assets	201	41	74	30,298	37	30,651
Financial liabilities	(79)	(6)	(163)	(10,475)	(58)	(10,781)
Total exposure at 31 December 2016	<u>122</u>	<u>35</u>	<u>(89)</u>	<u>19,823</u>	<u>(21)</u>	<u>19,870</u>
Financial assets	197	1	63	24,906	16	25,183
Financial liabilities	(78)	-	(56)	(8,281)	(52)	(8,467)
Total exposure at 31 December 2017	<u>119</u>	<u>1</u>	<u>7</u>	<u>16,625</u>	<u>(36)</u>	<u>16,716</u>

24 Financial Instruments – continued**Sensitivity analysis**

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

	10% Increase in favour of Rupees £000's	10% Increase in favour of US Dollars £000's	10% Increase in favour of Euro £000's
Impact on loss and equity			
For the year to 31 December 2016	<u>(12)</u>	<u>2</u>	<u>(70)</u>
For the year to 31 December 2017	<u>-</u>	<u>10</u>	<u>5</u>

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. Operating subsidiaries are financed by retained profits.

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.

For the year ended 31 December 2017

24 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)
- level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Brave Bison 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 2016				
Borrowing principal payments	389	389	-	-
Trade and other payables	7,847	7,847	-	-
As at 31 December 2017				
Borrowing principal payments	-	-	-	-
Trade and other payables	6,201	6,201	-	-

BRAVE BISON GROUP PLC (COMPANY NUMBER 08754680)**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2017

25 Financial commitments

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

	At 31 December 2017 £000's	At 31 December 2016 £000's
Less than 1 year	333	388
Between 2 and 5 years	47	456
More than 5 years	-	-
	<u>380</u>	<u>844</u>

Minimum Guarantees

The Group has entered into contracts committing to the following minimum guarantees:

	At 31 December 2017 £000's	At 31 December 2016 £000's
Less than 1 year	-	66
Between 2 and 5 years	-	-
More than 5 years	-	-
	<u>-</u>	<u>66</u>

26 Transactions with Directors and other related parties

Transactions with associates during the year were:

	2017 £000's	2016 £000's
Associates revenue share	67	-

	At 31 December 2017 £000's	At 31 December 2016 £000's
Amounts owed to associates	52	-

27 Post balance sheet events

No adjusting or significant events have occurred between the reporting date and the date of authorisation.

BRAVE BISON GROUP PLC (COMPANY NUMBER 08754680)
COMPANY BALANCE SHEET

As at 31 December 2017

	Note	At 31 December 2017 £'000's	At 31 December 2016 £'000's
Fixed asset investments			
Investments in subsidiaries	29	9,096	19,062
Current Assets			
Debtors	30	49	49
		<u>49</u>	<u>49</u>
Creditors: amounts falling due within one year	31	(44)	(389)
		<u>(44)</u>	<u>(389)</u>
Creditors: amounts falling due after one year	31	-	-
		<u>-</u>	<u>-</u>
Total assets less current liabilities		<u>9,101</u>	<u>18,722</u>
Capital and reserves			
Called up share capital	32	574	572
Share premium account		78,762	78,312
Capital redemption reserve		6,660	6,660
Merger relief reserve		62,624	62,624
Convertible loan note		-	68
Profit and loss account		(139,519)	(129,514)
		<u>9,101</u>	<u>18,722</u>

The Company made a loss of £10.0 million for the year ended 31 December 2017 (2016: loss of £9.6 million).

The financial statements on pages 66- 72 were authorised for issue by the Board of Directors on 20 March 2018 and were signed on its behalf by



Paul Campbell-White
 Director

BRAVE BISON GROUP PLC (COMPANY NUMBER 08754680)
COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2017

	Share capital £000's	Share premium £000's	Capital redemption Reserve £000's	Convertible Loan Note £000's	Merger relief Reserve £000's	Profit and loss account £000's	Total Equity £000's
At 1 January 2016	369	69,227	6,660	68	62,624	(119,886)	19,062
Shares issued during the year	200	9,799	-	-	-	-	9,999
Share issue costs	-	(714)	-	-	-	-	(714)
Exercise of share options	3	-	-	-	-	-	3
Transactions with owners	203	9,085	-	-	-	-	9,288
Other Comprehensive income							
Loss and total comprehensive income for the year		-	-	-	-	(9,628)	(9,628)
At 31 December 2016	572	78,312	6,660	68	62,624	(129,514)	18,722
Conversion of loan notes	2	450	-	(68)	-	-	384
Transactions with owners	2	450	-	(68)	-	-	384
Other Comprehensive income							
Loss and total comprehensive income for the year		-	-	-	-	(10,005)	(10,005)
At 31 December 2017	574	78,762	6,660	-	62,624	(139,519)	9,101

For the year ended 31 December 2017

28 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 Company will be able to meet its liabilities as they fall due for the foreseeable future. The Company is dependent for its working capital requirements on cash generated from Group operations and cash holdings and from equity markets. The cash holdings of the Group at 31 December 2017 were £4.8 million (2016: £7.1 million).

The Directors have prepared detailed cash flow projections ("the Projections") which are based on their current expectations of trading prospects. The board forecasts that the Group will achieve a positive cash inflow in 2019 and has sufficient cash on hand to reach that goal. Accordingly, the Directors have concluded that it is appropriate to continue to adopt the going concern basis in preparing 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.

In February 2018 the Group cancelled its £2.0 million overdraft facility with Barclays Bank as it had not been drawn down since it was taken out in 2016 and current cash flow forecasts indicate that it will not be required.

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.

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 with 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.

Convertible loan note

Compound financial instruments issued by the Company comprise convertible loan notes that can be converted to share capital at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value. The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity

For the year ended 31 December 2017

component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period. On conversion of the compound instrument to equity, the shares are issued by the Company in line with the terms of the instrument agreement. Any difference between the nominal value of the shares issued and the conversion price is credited to the share premium account.

Significant judgements and estimates

The Group 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.

BRAVE BISON GROUP PLC (COMPANY NUMBER 08754680)**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2017

29 Investments in subsidiaries and associates**Investments**

	2017 £000's	2016 £000's
	9,096	19,062

As at 31 December 2017, investments were assessed for impairment.

The newly appointed management team have adopted a new strategy and 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 15%. 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. The decrease in forecast cash flows has resulted in a £10.0 million impairment charge for the year ended 31 December 2017 (2016: £Nil).

At 31 December 2017 the Company had the following subsidiary undertakings:

Subsidiaries	Class of share held	Country of incorporation	Proportion held	Nature of business
Brave Bison Limited	Ordinary	UK	100%	Online video distribution
Indirect subsidiaries				
Rightster Inc.	Ordinary	USA	100%	Non-trading
Rightster India LLP	Ordinary	India	100%	Non-trading
Rightster Gibraltar	Ordinary	Gibraltar	100%	Non-trading
Preview Networks ApS	Ordinary	Denmark	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%	Non-trading
Base 79 SL	Ordinary	Spain	100%	Non-trading
Base 79 GMBH	Ordinary	Germany	100%	Non-trading
Base 79 SARL	Ordinary	France	100%	Non-trading
Brave Bison Asia Pacific Pte	Ordinary	Singapore	100%	Online video distribution

30 Debtors

	2017 £000's	2016 £000's
Prepayments	4	4
Other debtors	27	27
Other taxes and social security	18	18
	49	49

BRAVE BISON GROUP PLC (COMPANY NUMBER 08754680)**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2017

31 Creditors

	2017	2016
	£000's	£000's
Amounts falling due within one year		
Accruals	44	-
Debt elements of convertible loan notes (Note 19)	-	389
	<u>44</u>	<u>389</u>

32 Capital and reserves**Ordinary share capital**

	At 31 December 2017		At 31 December 2016	
	Number	£000's	Number	£000's
Ordinary shares of £0.001	573,909,229	574	571,628,125	572
Total ordinary share capital of the Company		<u>574</u>		<u>572</u>

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

The movement in share capital can be reconciled as follows:

	2017		2016	
	Ordinary Shares Number £0.0000001	Ordinary Share Capital £000's	Ordinary Shares Number £0.0000001	Ordinary Share Capital £000's
Opening balance	571,628,125	572	369,143,635	369
Issue of ordinary shares	<u>2,281,104</u>	<u>2</u>	<u>202,484,490</u>	<u>203</u>
Closing balance	<u>573,909,229</u>	<u>574</u>	<u>571,628,125</u>	<u>572</u>