

Brave Bison Group plc
("Brave Bison" or "the Group" or "the Company")

Unaudited half year results for the six months ended 30th June 2016

Brave Bison Group plc (AIM: BBSN), the independent Digital Media & Social Video Broadcaster, today announces its half year results for the six months ended 30 June 2016.

The Group re-branded and changed its name from Rightster Group plc to Brave Bison Group plc on 9 May 2016.

Since the period end on 30 June 2016, the Group continues to trade in line with management expectations.

Financial Highlights

- Net Revenue of £9.7m (a 38% increase from H1 2015)
- Adjusted EBITDA* loss of £0.8m (a decrease of 84% from H1 2015)
- Loss before Tax of £3.6m (a decrease of 69% from H1 2015)
- Loss per share of 0.56p (a decrease of 89% from H1 2015)
- The Group ended the period with £8.4m of cash.

*excludes exceptional items, restructuring costs and share-based payments but includes gains and losses on re-translation of foreign currency monetary balances.

Board Changes

- Niall Dore resigned as CFO and Director on 20 May 2016
- Kevin Deeley was appointed as CFO and Director on 20 May 2016
- Patrick Walker resigned as non-executive Director on 26 May 2016

Other notable strategic achievements as we grow our brand and social video broadcast businesses:

- Re-launching our "SlashFootball" channel, a multi-platform football digital property owned and operated by Brave Bison, as the cornerstone of our social video football network. The SlashFootball Network has already amassed 9.4m+ followers on Facebook and 4.1m+ subscribers on YouTube.
- Launching Brave Talent, our international social talent management business with recognised stars like Callux, Joe Tasker, Anto Sharp, and Kiana Jones with a combined social reach of 30m.
- Hiring Will Pyne, former Founder and Creative Director of award winning social agency Holler, as Chief Creative Officer.
- Continuing to re-orientate the business towards advertising revenues, which increased to 93% of total revenue in the first half, driven by multiple large brand deals including Havas, Ford and P&G.

Post Period Update

- On 21 July 2016 the company issued 1,942,898 new ordinary shares of 0.1 pence each in the Company (the "New Shares"), pursuant to the exercise of options.

Ashley MacKenzie (CEO) commented:

“I am thoroughly pleased with the pace of progress re-orientating the business. We are undergoing a transformation from a third party technology provider to a social video broadcaster, and throughout that transformation have managed to significantly grow revenues, while dramatically reducing our operating costs.

Our primary financial goal remains to achieve profitability. While maintaining close control of our cost base, management will be looking to build on this strong growth momentum throughout the second half of the year. Significant revenue opportunities will be driven by maintaining competitive advantage in a fast-paced online video industry - combining our data-informed scientific approach to audience management for existing video content, with the remarkable artistic talent we have in our business for new content creation.”

For further information please contact:

Brave Bison Group plc

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This announcement is available on the Group’s website, www.bravebison.io.

Financial Review

The Group continues to see strong organic growth in its revenues with a 38% increase in net revenues, in the first half when compared against H1 2015.

The most significant revenue growth has been experienced in the United Kingdom. The United States of America and the Rest of the World have also attained pre-commission share growth, which have more than offset the reduction experienced in mainland Europe resulting largely from office closures. Advertising remains by far the most material revenue stream, accounting for 93% of total revenue including commission share, driven by multiple large brand deals. Gross profit margin in H1 2015 benefitted from one-off revenues and fell substantially in H2 2015, from 50% in H1 2015 to 35% in H2 2015, as these did not repeat. Under the new Management team margins have now begun to grow, increasing to 39% in H1 2016. As the company completes its transformation from a third party technology provider to a social video broadcaster owning Intellectual Property rights, gross profit margin should stabilise and rise.

During H1 2016 the Group undertook a successful re-structuring and cost management programme. As a result, Group headcount at 30 June 2016 has fallen to 124 (June 2015: 209). Any future new headcount will be invested in key territories and products where we see potential for profitable growth.

The Board notes the volatility in the value of the British pound, following the result of the UK referendum on membership of the EU. With approximately 75% of the Group's revenues generated in other currencies the Group's reported results stand to benefit on translation from a weaker British pound. All gains and losses on re-translation of foreign currency monetary balances are recognised in profit or loss on translation at the reporting date. For the first half of the year these amounted to a £0.8m gain (2015 £0.2m loss).

Business Review

The new Board and management returned to the Company at the end of 2015 with the goals of executing 3 simple steps:

- 1) Simplify the business - we have closed five offices across the period, reduced headcount from 198 to 124 and have shuttered five revenue lines compared to our historic activity. We are now far more focused on UK and Asia-Pacific, and this has accelerated our path towards profitability.
- 2) Grow revenue organically – net revenue is up 38% on the period with no M&A. This is being driven by growing advertising revenues and better focus on key partners such as AFL, 20th Century Fox, P&G and Paramount Pictures to name a few. Encouragingly, we have partnered with Paramount Pictures on our first branded content projects in both US and Australia in the period.
- 3) Move up the value chain - this is the most important step that we are focusing on. With large audience and revenue growth available to owners of intellectual property rights in the social video space, we are focused on delivering this valuable strategic goal. To this end, we have appointed a proven entrepreneur and creative leader, Will Pyne, to lead our twenty-six strong creative studio. We have announced our first major investment in “SlashFootball” that makes its commercial re-launch in the Autumn. Football is the largest global sport and a huge commercial platform that aligns well to our territorial focus of Europe and Asia-Pacific.

The results we are starting to see represent the culmination of this strategy matched to the expertise and efforts of the team executing it. They go hand-in-hand.

With the business now finding its strategic place, costs close to being aligned to the immediate revenue opportunity, the Company will consider sensible acquisitions in the event it can identify targets that accelerate its strategic development and enhance profitability on commercially viable terms. The management team have significant experience with M&A and have learnt a great deal about how to grow in this market.

Board Changes

Changes to the senior team in 2016 have complemented the arrival of new CEO Ashley MacKenzie and COO Richard Mansell in late 2015. Kevin Deeley, formerly CFO of Base79 Group which was acquired by the Group in August 2014, was appointed as CFO and Director on 20 May 2016 following the departure of Niall Dore.

On 26 May 2016 Patrick Walker resigned as a non-executive director of the Company to focus on his newly appointed role as Director of Media Partnerships for Facebook in Europe, the Middle East and Africa.

Outlook

The Group has had an excellent start to 2016, bringing us significantly closer to profitability. In addition to a strong growth in revenues, material annualised cost savings have been achieved. Management will seek to continue this growth momentum with a concentration on further high profile international deals and a new innovative product strategy on the horizon, which will bring new revenue opportunities and operational efficiencies to the Group.

On behalf of the Board

Ashley MacKenzie
Chief Executive Officer

31 August 2016

BRAVE BISON GROUP PLC

CONSOLIDATED INCOME STATEMENT AND CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 30 June 2016

	(unaudited) 6 months to 30 June 2016	(unaudited) 6 months to 30 June 2015	Audited Year to 31 December 2015
Note	£	£	£
Total revenues including commission share	13,764,136	11,188,581	24,248,512
Less commission share	(4,070,049)	(4,165,976)	(9,694,194)
Revenue	9,694,087	7,022,605	14,554,318
Cost of sales	(5,890,465)	(3,538,535)	(8,446,322)
Gross profit	3,803,622	3,484,070	6,107,996
Administration expenses	(6,416,932)	(10,903,337)	(18,973,556)
Restructuring costs	(936,203)	(915,441)	(1,599,263)
Operating loss	(3,549,513)	(8,334,708)	(14,464,823)
Exceptional items	4 -	(1,939,977)	(2,225,859)
Impairment charge	-	-	(36,038,741)
Finance income	5,503	13,223	15,343
Finance costs	5 (26,034)	(1,264,358)	(1,713,439)
Loss before tax	(3,570,044)	(11,525,820)	(54,427,519)
Analysed as			
Operating loss before tax adjusted for exceptional items and non-cash and restructuring costs	(839,044)	(5,182,335)	(8,684,801)
Restructuring costs	(936,203)	(915,441)	(1,599,263)
Exceptional items	-	(1,939,977)	(2,225,859)
Equity settled share-based payments	(90,472)	(753,909)	(1,137,920)
EBITDA	(1,865,719)	(8,791,662)	(13,647,843)
Finance costs	(26,034)	(1,264,358)	(1,713,439)
Finance income	5,503	13,223	15,343
Impairment charge	-	-	(36,038,741)
Depreciation	(35,321)	(168,503)	(269,436)
Amortisation	(1,648,473)	(1,314,520)	(2,773,403)
Loss before tax	(3,570,044)	(11,525,820)	(54,427,519)
Income tax credit	424,287	1,255,284	2,130,512
Loss attributable to equity holders of the parent	(3,145,757)	(10,270,536)	(52,297,007)
Statement of Comprehensive Income			
Loss for the period / year	(3,145,757)	(10,270,536)	(52,297,007)
Items that may be reclassified subsequently to profit or loss			
Exchange (loss)/profit on translation of foreign subsidiaries	(665,613)	100,896	(62,141)
Total comprehensive loss for the period / year attributable to owners of the parent	(3,811,370)	(10,169,640)	(52,359,148)
Loss per share (basic and diluted)			
Basic and diluted loss per ordinary share (pence)	6 0.56p	5.15p	19.4p
All transactions arise from continuing operations.			

BRAVE BISON GROUP PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2016

	(unaudited) At 30 June 2016 £	(unaudited) At 30 June 2015 £	Audited At 31 December 2015 £
Note			
Non-current assets			
Intangible assets	17,413,377	55,960,117	19,061,850
Property, plant and equipment	65,446	176,436	79,440
Deferred tax asset	-	84,274	-
	<u>17,478,823</u>	<u>56,220,827</u>	<u>19,141,290</u>
Current assets			
Trade and other receivables	9,218,596	6,103,027	7,444,963
Cash and cash equivalents	8,407,856	8,082,230	3,134,349
	<u>17,626,452</u>	<u>14,185,257</u>	<u>10,579,312</u>
Current liabilities			
Trade and other payables	(9,987,436)	(8,367,455)	(9,768,696)
Deferred consideration	-	(25,397,564)	-
Restructuring provision	-	(73,907)	-
	<u>(9,987,436)</u>	<u>(33,838,926)</u>	<u>(9,768,696)</u>
Non-current liabilities			
Borrowings and other financial liabilities	(360,334)	-	(334,300)
Deferred tax	(2,714,233)	(3,518,290)	(3,139,548)
	<u>(3,074,567)</u>	<u>(3,518,290)</u>	<u>(3,473,848)</u>
Net assets	<u>22,043,272</u>	<u>33,048,868</u>	<u>16,478,058</u>
Equity			
Share capital	7 569,535	222,960	369,143
Share premium	78,312,377	69,196,775	69,226,658
Capital redemption reserve	6,660,000	6,660,000	6,660,000
Merger reserve	(24,059,625)	(24,059,625)	(24,059,625)
Convertible loan note	68,066	-	68,066
Merger relief reserve	62,624,450	41,009,443	62,624,450
Retained deficit	(101,253,408)	(59,931,212)	(98,198,124)
Translation reserve	(878,123)	(49,473)	(212,510)
Total equity	<u>22,043,272</u>	<u>33,048,868</u>	<u>16,478,058</u>

BRAVE BISON GROUP PLC

CONSOLIDATED STATEMENT OF CASH FLOWS
For the six months ended 30 June 2016

	(unaudited) 6 months to 30 June 2016 £	(unaudited) 6 months to 30 June 2015 £	Audited Year to 31 December 2015 £
Operating activities			
Loss before tax	(3,570,044)	(11,525,820)	(54,427,519)
Adjustments:			
Depreciation and amortisation	1,683,794	1,483,023	39,081,580
Finance income	(5,503)	(3,423)	(15,343)
Finance costs	26,034	1,264,358	1,713,439
Share based payment charges	90,472	753,909	1,137,920
Increase in deferred consideration	-	1,732,449	1,732,449
Movement in foreign exchange	(699,366)	101,053	-
Deferred consideration classified as remuneration	-	207,528	365,754
Increase in trade and other receivables	(1,773,636)	(125,969)	(794,574)
Increase in trade and other payables	218,740	325,664	1,127,964
Movement in provisions	-	(140,140)	(214,047)
Tax	(1,027)	1,533,639	2,040,099
Cash outflow from operating activities	<u>(4,030,536)</u>	<u>(4,393,729)</u>	<u>(8,252,278)</u>
Investing activities			
Purchase of property, plant and equipment	(21,326)	(7,760)	(12,675)
Purchase of intangible assets	-	(736,427)	(1,331,784)
Payment of deferred consideration	-	-	(849,939)
Interest received	5,503	3,423	15,351
Cash outflow from investing activities	<u>(15,823)</u>	<u>(740,764)</u>	<u>(2,179,047)</u>
Cash flows from financing activities			
Issue of share capital	10,000,392	5,154,440	5,184,581
Share issue costs	(714,281)	(398,928)	(398,612)
Loan finance raised	-	-	383,599
Net cash inflow from financing	<u>9,286,111</u>	<u>4,755,512</u>	<u>5,169,568</u>
Net change in cash and cash equivalents	<u>5,239,752</u>	<u>378,981</u>	<u>5,261,757</u>
Movement in net cash			
Cash and cash equivalents, beginning of period	3,134,349	8,458,247	8,458,247
Increase / (decrease) in cash and cash equivalents	5,239,752	(378,981)	(5,261,757)
Movement in foreign exchange	33,755	2,964	(62,141)
Cash and cash equivalents, end of period	<u>8,407,856</u>	<u>8,082,230</u>	<u>3,134,349</u>

BRAVE BISON GROUP PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2016

	Share capital	Share premium	Convertible Loan Note	Capital redemption reserve	Merger reserve	Merger relief reserve	Translation reserve	Retained deficit	Total equity
	£	£	£	£	£	£	£	£	£
At 1 January 2015 (audited)	193,714	64,470,509	-	6,660,000	(24,059,625)	41,009,443	(150,369)	(50,414,585)	37,709,087
Shares issued during the period	29,246	5,125,194	-	-	-	-	-	-	5,154,440
Share issue costs	-	(398,928)	-	-	-	-	-	-	(398,928)
Equity settled share based payments	-	-	-	-	-	-	-	753,909	753,909
Transactions with owners	29,246	4,726,266	-	-	-	-	-	319,747	5,509,421
Other comprehensive income									
Loss and total comprehensive income for the period	-	-	-	-	-	-	100,896	(10,270,536)	(10,169,640)
At 30 June 2015 (unaudited)	222,960	69,196,775	-	6,660,000	(24,059,625)	41,009,443	(49,473)	(59,931,212)	33,048,868
At 1 January 2015 (audited)	193,714	64,470,509	-	6,600,000	(24,059,625)	41,009,443	(150,369)	(50,414,585)	37,709,156
Shares issued during the year	175,429	5,159,720	-	-	-	21,615,007	-	-	26,950,156
Share issue costs	-	(403,571)	-	-	-	-	-	-	(403,571)
Equity settled share based payments	-	-	-	-	-	-	-	4,513,468	4,513,468
Issue of convertible loan notes	-	-	68,066	-	-	-	-	-	-
Transactions with owners	175,429	4,756,149	68,066	-	-	21,615,007	-	4,513,468	42,855,433
Other comprehensive income									
Loss and total comprehensive income for the period	-	-	-	-	-	-	(62,141)	(52,297,007)	(52,359,148)
At 31 December 2015 (audited)	369,143	69,226,658	68,066	6,660,000	(24,059,625)	62,624,450	(212,510)	(98,198,124)	16,478,058
At 1 January 2016 (audited)	369,143	69,226,658	68,066	6,660,000	(24,059,625)	62,624,450	(212,510)	(98,198,124)	16,478,058
Shares issued during the period	200,392	9,800,000	-	-	-	-	-	-	10,000,392
Share issue costs	-	(714,281)	-	-	-	-	-	-	(714,281)
Reserve transfer	-	-	-	-	-	-	-	-	-
Equity settled share based payments	-	-	-	-	-	-	-	90,473	90,473
Transactions with owners	200,392	9,085,719	-	-	-	-	-	90,473	9,376,584
Other comprehensive income									
Loss and total comprehensive income for the period	-	-	-	-	-	-	(665,613)	(3,145,757)	(3,811,370)
At 30 June 2016 (unaudited)	569,535	78,312,377	68,066	6,660,000	(24,059,625)	62,624,450	(878,123)	(101,253,408)	22,043,272

BRAVE BISON GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS
For the six months ended 30 June 2016

1 General information

The information for the year ended 31 December 2015 does not constitute statutory accounts as defined in section 435 of the Companies Act 2006. A copy of the statutory accounts has been delivered to the Registrar of Companies. The auditors reported on those accounts: their report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under section 498 (2) or (3) of the Companies Act 2006. The interim financial statements have not been audited or reviewed by the company's auditor.

2 Accounting policies

Basis of preparation

The annual financial statements of Brave Bison Group plc are prepared in accordance with IFRS as adopted by the European Union. The condensed set of financial statements included in this half yearly report has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting", as adopted by the European Union. The interim statement has been prepared on a going concern basis, which assumes that the Group will be able to meet its liabilities 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 30 June 2016 were £8,407,856.

Significant accounting policies

The accounting policies applied by the Group in this condensed set of consolidated financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2015.

Adoption of new and revised standards

At the date of authorisation of the financial statements, certain new standards, amendments and interpretations to existing standards have been published by the IASB 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 are provided in the Group financial statements. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Group's financial statements.

3 Segment reporting

Management identify only one operating segment in the business, being monetising content online. 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 revenue analysis has been included in this note.

The breakdown of net assets and capital expenditure for geographic reporting has not been shown as it can only be provided as an arbitrary breakdown.

BRAVE BISON GROUP PLC

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For the six months ended 30 June 2016

3 Segment reporting - continued

Geographic reporting

Brave Bison has identified four geographic areas (UK, United States of America, Europe and rest of the world) and the information is presented based on the customers' location.

	(unaudited) 6 months ended June 2016 £	(unaudited) 6 months ended June 2015 £	(audited) 12 months ended 31 December 2015 £
United Kingdom & Ireland	8,214,133	5,452,182	12,264,485
United States of America	2,012,890	1,871,930	4,220,930
Europe	1,172,604	1,803,996	3,405,305
Rest of the world	2,364,509	2,060,473	4,357,792
Total revenue including commission share	13,764,136	11,188,581	24,248,512
Less commission share	(4,070,049)	(4,165,976)	(9,694,194)
Revenue	9,694,087	7,022,605	14,554,318
Cost of sales	(5,890,465)	(3,538,535)	(8,446,322)
Gross profit	3,803,622	3,484,070	6,107,996
Administration expenses	(7,353,135)	(11,818,778)	(20,572,819)
Operating loss	(3,549,513)	(8,334,708)	(14,464,823)

The analysis of revenue by each stream is detailed below.

	(unaudited) 6 months ended June 2016 £	(unaudited) 6 months ended June 2015 £	(audited) 12 months ended 31 December 2015 £
Advertising	8,978,095	6,254,494	12,912,272
Subscriptions	546,042	331,435	876,788
Theatrical	169,950	436,676	765,258
	<u>9,694,087</u>	<u>7,022,605</u>	<u>14,554,318</u>

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For the six months ended 30 June 2016

4 Exceptional items

	(unaudited) 6 months ended June 2016	(unaudited) 6 months ended June 2015	(audited) 12 months ended 31 December 2015
	£	£	£
Acquisition costs	-	207,528	493,410
Increase in deferred consideration payable	-	1,732,449	1,732,449
	<u>-</u>	<u>1,939,977</u>	<u>2,225,859</u>

5 Finance costs

	(unaudited) 6 months ended June 2016	(unaudited) 6 months ended June 2015	(audited) 12 months ended 31 December 2015
	£	£	£
Interest payable	26,034	-	18,767
Unwinding of discount on deferred consideration	-	1,264,358	1,694,672
	<u>26,034</u>	<u>1,264,358</u>	<u>1,713,439</u>

BRAVE BISON GROUP PLC

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For the six months ended 30 June 2016

6 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 2015 or 2016. 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 period. All share options and warrants have been excluded when calculating the diluted earnings per share (EPS) as they were anti-dilutive.

	(unaudited) 6 months ended June 2016	(unaudited) 6 months ended June 2015	(audited) 12 months ended 31 December 2015
	£	£	£
Loss for the year attributable to ordinary shareholders	(3,145,757)	(10,270,536)	(52,297,007)
Equity settled share based payments	90,472	753,909	1,137,920
Amortisation and depreciation	1,683,794	1,483,023	39,081,580
Adjusted loss for the period attributable to the equity shareholders	<u>(1,371,491)</u>	<u>(8,033,604)</u>	<u>(12,077,507)</u>
Brave Bison Group plc			
Weighted average number of ordinary shares	561,647,112	199,535,453	270,181,450
Basic and diluted loss per ordinary share (pence)	<u>0.56p</u>	<u>5.15p</u>	<u>19.4p</u>
Adjusted basic and diluted loss per ordinary share (pence)	<u>0.24p</u>	<u>4.03p</u>	<u>4.5p</u>

7 Share capital & Share premium

Ordinary share capital

	At 30 June 2016	
	Number	£
Ordinary shares of £0.001	569,535,226	569,535
Total ordinary share capital of the Company		<u><u>569,535</u></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 share capital is detailed in note 8.

BRAVE BISON GROUP PLC

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For the six months ended 30 June 2016

8 Reconciliation of share capital and share premium

	Ordinary share capital		Share Premium	Capital redemption reserve	Merger reserve	Merger relief reserve
	Number	£	£	£	£	£
Balance as at 1 January 2015 (audited)	193,714,204	193,714	64,470,509	6,660,000	(24,059,625)	41,009,443
Issue of shares	29,246,403	29,246	4,726,266	-	-	-
Closing balance at 30 June 2015 (unaudited)	<u>222,960,607</u>	<u>222,960</u>	<u>69,196,775</u>	<u>6,660,000</u>	<u>(24,059,625)</u>	<u>41,009,443</u>

	Ordinary share capital		Share Premium	Capital redemption reserve	Merger reserve	Merger relief reserve
	Number	£	£	£	£	£
Balance as at 1 January 2015 (audited)	193,714,204	193,714	64,470,509	6,660,000	(24,059,625)	41,009,443
Issue of shares	175,429,431	175,429	4,756,149	-	-	21,615,007
Closing balance at 31 December 2015 (audited)	<u>369,143,635</u>	<u>369,143</u>	<u>69,226,658</u>	<u>6,660,000</u>	<u>(24,059,625)</u>	<u>62,624,450</u>

	Ordinary share capital		Share Premium	Capital redemption reserve	Merger reserve	Merger relief reserve
	Number	£	£	£	£	£
Balance as at 1 January 2016 (audited)	369,143,635	369,143	69,226,658	6,660,000	(24,059,625)	62,624,450
Issue of shares	200,391,591	200,392	9,085,719	-	-	-
Closing balance at 30 June 2016 (unaudited)	<u>569,535,226</u>	<u>569,535</u>	<u>78,312,377</u>	<u>6,660,000</u>	<u>(24,059,625)</u>	<u>62,624,450</u>

BRAVE BISON GROUP PLC

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For the six months ended 30 June 2016

9 Financial Instruments

Categories of financial instruments	(unaudited)	(unaudited)	(audited)
	As at 30 June 2016 £	As at 30 June 2015 £	As at 31 December 2015 £
Financial assets			
Receivables	9,218,595	6,103,027	7,444,963
Cash and bank balances	8,407,856	8,082,230	3,134,349
	<u>17,626,451</u>	<u>14,185,257</u>	<u>10,579,312</u>
Financial liabilities			
Trade and other payables at amortised cost	(9,987,436)	(8,367,455)	(9,768,696)
Borrowings at amortised cost	(360,334)	-	(334,300)
Deferred consideration at fair value	-	(25,397,564)	-
	<u>(10,347,770)</u>	<u>(33,765,019)</u>	<u>(10,102,996)</u>

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).

The estimated fair value of the deferred consideration is categorised within Level 3 of the fair value hierarchy. The fair value estimate has been determined using a present value technique. The fair value is estimated by discounting the liability at 15%. The discount rate has been determined using the group's average cost of capital. The most significant input is the discount rate of 15%. Receivables, cash, borrowings and payables are categorised as Level 1.

Deferred consideration payable is contingent on the performance of the acquired businesses and 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.

10 Contingent liabilities

There were no contingent liabilities at 30 June 2016 (30 June 2015 and 31 December 2015: None).

11 Transactions with Directors and other related parties

There have been no material changes in the related party transactions described in the last annual report aside from those disclosed elsewhere in this interim statement.

12 Subsequent events

There are deemed to be no significant subsequent events following 30 June 2016.