RNS Number : 8006A
SpaceandPeople PLC
04 June 2021

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR"), and is disclosed in accordance with the Company's obligations under Article 17 of MAR.

SpaceandPeople plc

("SpaceandPeople" or the "Group")

Final Results for the year ended 31 December 2020

SpaceandPeople (AIM:SAL) the retail, promotional and brand experience specialist, is pleased to announce its final results for the year ended 31 December 2019.

Financial Highlights

- Revenue of £2.8 million (2019: restated £7.7 million)
- Operating loss before non-recurring costs of £2.1 million (2019: restated profit of £0.1 million)
- Basic Earnings per Share before non-recurring costs and discontinued operation loss of 7.2p (2019: restated profit of 0.3p)
- Borrowings net of cash at year end of £0.9 million with additional available facilities of £1.3 million (2019: net cash of £0.5 million)

Operational Highlights

- Nancy Cullen appointed as Chief Executive Officer
- Extended periods of lockdown in the UK and Germany had a fundamental impact on trading during the year
- £1.0 million CBILS term loan obtained in the first half of 2020
- Significant new business agreements won for former Intu venues

Post Year End Highlights

- Further lockdowns in the UK and Germany continuing to have an impact on trading
- Long term refinancing of business secured using additional government CBILS lending
- Extension of major Landsec agreement in the UK
- Improved new five-year agreement with ECE in Germany

Chairman's Statement

There has not been a more turbulent period for the markets in which we operate than the one we have faced since March 2020 and this is reflected in the financial performance of the business in the year ended 31 December 2020 and continues into the 2021 financial year. It is through the hard work and resilience of all of our staff and management that SpaceandPeople has not only survived these difficult market conditions, but has actually built a stronger base as we hopefully head into a period of more stability and economic recovery.

The hard decisions have been made and actions taken to ensure costs have been aligned to new operating levels and cash conserved. SpaceandPeople India has been exited and a significant non-cash write down of Retail Profile's goodwill made to reflect the new environment.

However, new contract wins in the UK, particularly of many former Intu venues and the recently announced extension and expansion of the ECE contract in Germany, together with the successful re-financing of the Group's borrowing facilities, provide confidence in the future of the business.

These developments and the financial performance of the Group are covered in more detail in Nancy Cullen's CEO Report and Gregor Dunlay's Operating and Financial Review.

This is Nancy's first report as CEO and I would like to take this opportunity to record the Board's appreciation of her predecessor, Matthew Bending. Matthew made an immense contribution to the Group over 20 years and his dedication and passion helped build the business including its expansion into Germany. We wish him well for the future.

There were two other Board changes in the year. Graham Bird joined as a non-executive director and his experience has been very useful through the Covid-19 pandemic. Andrew Keiller stepped up to the Board and was promoted to Chief Operating Officer during the year and is a key member of the senior executive management team alongside Nancy and Gregor.

Finally, on behalf of my Board colleagues, I would like to thank all of our staff and management across the business for their hard work and resilience in 2020 and their continued commitment to the Group in the year ahead.

George Watt
Chairman
3 June 2021

Chief Executive Officer's Review

Introduction

The events of 2020, caused by Covid-19, had a profound effect on the world and our business was impacted significantly by the pandemic and the associated periods of lockdown across the countries in which we operate. Since I wrote my report in the Interim Financial Statements, lockdowns have continued to be a huge impediment to our ability to carry out our business. It is fair to say that steering the Group through this is not how I would have ideally liked to begin as CEO, however, it has been extremely encouraging to see how well our staff, clients, business partners and promoters have responded to the unprecedented challenges and I am extremely grateful for their ongoing help and support.

As we have previously discussed, since the start of the Covid-19 pandemic and the first announcement of retail closures in March 2020 there has been a major effect on our business, the consequences of which were felt throughout the year, even during periods when restrictions were eased and business was back up and running. Buyer uncertainty regarding future lockdowns and differing rules by nation led to a patchy and inconsistent return to business during the year. Whenever lockdown was eased, trading in centres was difficult and limited by social distancing. The effects of the pandemic were felt across all our venues in both the UK and Germany.

Throughout, the safety and security of our staff has been paramount and we quickly and successfully managed the transition from being an office-based company to working from home with the appropriate support for staff in place. Over this period, we adopted a three-phase strategy "Survive, Revive, Thrive" and I am delighted that we are now coming out of the Revive phase and looking to capitalise on an evolving market with plenty of opportunities for growth. We have refocused our business to ensure that our clients remain absolutely at the centre of everything we do whilst keeping the Group strong, focused, relevant, and secure.

Reorganisation

As previously reported in the 2019 Annual Report and 2020 Interim Report, SpaceandPeople took early and decisive action to protect against the inevitable cashflow issues caused by the pandemic. The key elements of this were:

- **Secure appropriate funding -** In April 2020, we secured a £1 million CBILS term loan through our principal banking partner in addition to our existing lending facilities. This allowed the business to plan how to trade through and plan for the emergence from the initial periods of lockdown. As the third period of lockdown loomed, we worked with our lenders again to secure an additional £0.5 million of lending and refinanced our previous facilities that were due to mature in 2021 on a more long-term basis. This has ensured that we continue to have good cash headroom in the business and have been able to meet our liabilities as they become due;

- **Utilise government support -** In both the UK and Germany, we have used the appropriate government salary support schemes wherever possible to help protect employment and retain the required members of staff at that time. This support has continued into 2021, although we have now brought the majority of staff back into the business;

- **Cost reductions -** Along with additional funding and support, we still needed to review our structure and overheads from the perspective of what was required, what could be supported and what the likely future scale of the business would be. It was clear to us that when we emerged from the pandemic, the size and focus of the business would be very different from before. A targeted number of roles unfortunately had to be made redundant, overheads such as office and travel costs were reduced significantly and detailed consideration was given to simplifying, automating and rationalising processes throughout the business. This has led to annualised cost savings of over £1.0 million that will remain even once the business grows again;

- **Cash management -** Throughout 2020 and in to 2021, the business ensured that strict cash management was implemented. There was a moratorium on hiring new staff, capital expenditure and discretionary expenditure. Offers of extended payment terms were also taken up where appropriate and targeted revenue collection was put in place.

Overall, these actions have played a huge part in securing the current viability of our business without jeopardising the future.

New business opportunities

Although business was extremely slow during the closure of non-essential retail, there were plenty of opportunities to win new clients and renew agreements with existing clients. We were delighted, during 2020 and early 2021, to announce that we had successfully entered into new agreements with significant venues including the Metrocentre, Lakeside, Braehead and Victoria Nottingham as well as over 900 regional railway stations (including Thameslink, Southern, Northern, Gatwick Express, Merseyrail and Greater Anglia) to complement our existing major Network Rail portfolio.

We also successfully secured an extension to our contract with Landsec until 2026 and we won several other venues such as The Potteries, Stoke on Trent, Watford Shopping Centre (now Atria) and Chapelfield, Norwich (now Chantry Place). As a business we now have an unparalleled network of mall spaces in premium venues which we exclusively manage.

Significantly, we have recently announced a further agreement with ECE, our major German client, which secures our retail business in Germany for the next 5 years. I am very grateful to our two German managers Stefan Zwiechowski and Issam Chalghoumi for their diligent work in securing this contract with Germany's most prestigious property manager/owner. The executive team at SpaceandPeople will continue to work closely with our German colleagues to ensure that this business maximises the opportunity of this new agreement.

SpaceandPeople India

Over the last few years management has been reviewing the core proposition of the Group. Over time, the direction of the Indian subsidiary has diverged from our specialisation in commercialisation. This had become a distraction from our main focus and our reluctance to follow the direction local management were wanting to take was inhibiting their ability to secure the viability and growth of that business. As a result, we took the decision in early 2021 to dispose of our full shareholding in this business. As the shareholding was disposed of for a nominal amount, the carrying value of SpaceandPeople India has been provided for in full as at the year end. On an emotional level, this was a very difficult decision to make and I would like to take the opportunity to thank the Managing Director, Paresh Khivesara, and his team for their enthusiasm and hard work in establishing SpaceandPeople in India and I wish them the very best of luck moving forward.

Outlook

As a result of all the above, we emerge from this difficult and unprecedented year focussed, motivated and with a significantly increased portfolio of venues. We have the prospect of increasing our sales force over the coming months as business returns to fully take advantage of revenue opportunities. We recognise the strategic importance to our property partners of the activity which we provide which brings vitality, individuality and income to their venues and we are intent on bringing business back up and beyond previous year levels as soon as possible using our significantly enhanced venue portfolio as the lever for this.

Our business has evolved over the years and now holds increasing relevance as the drive towards tactical and short-term physical retailing is seen as an important aspect of brands' omnichannel retail strategies, providing a seamless retail experiences to their customers. Our ability to secure spaces in high footfall venues, to provide kiosks in these spaces and to assist retailers to activate physical retailing whenever they choose and with minimal administration puts us in a unique position to support nascent, online brands and entrepreneurs moving forward. We have proved over the years that mall retail customers can become long term operators and ultimately, we aim for some of the brands that we book to become the retail unit tenants of the future in our partner venues.

We are excited about the prospect of a world where pop up/short-term retail and brand vibrancy are seen as critical features of the property mix. We have a series of new initiatives and products designed to support new retail offers and we are looking to streamline sales with our systems including the ability to book our spaces online via a new booking portal.

Summary

This is the first full year CEO review that I have prepared for you and, as you can see, it has been an exceptionally challenging time for the business. I can report that we are now emerging from the last 12 months of stasis with a team in place that is focussed, motivated and experienced. We also have a vastly strengthened portfolio in the UK and an improved long-term contract with ECE in Germany.

In the UK, with our venues all now open and trading we are seeing business levels increasing on a daily basis and we are cautiously optimistic about the prospects for the next 12 months on the basis that promoter and retailer demand as well as consumer behaviour returns as expected. As I write this, non-essential retail remains closed in Germany, however, we have a pipeline of occupiers looking to return to the malls as soon as they reopen and there is some interesting cross fertilisation of retailers occurring between the UK and Germany.

I would like to take this opportunity to pass a very big thank you to all our staff across both countries for their incredible resilience, adaptability and willingness to work across new sectors and in new ways. Without their stoicism and hard work, we would not be in the positive position we currently are.

As a result of our experiences and successes over the last 12 months we are excited about the prospects for 2021 and beyond, focused on success both in the UK and Germany and committed to returning SpaceandPeople to profitability as quickly and efficiently as possible.

Nancy Cullen
Chief Executive Officer
3 June 2021

<u>Operating and Financial Review</u>

Due to the unprecedented challenges the Group faced during 2020 as a result of the Covid-19 pandemic, the focus of the business was on ensuring that it had sufficient resources to survive the enforced periods of lockdown. During these periods, the business was unable to trade and used the Job Retention Scheme ("JRS") in the UK, the equivalent scheme in Germany and the Coronavirus Business Interruption Loan Scheme to minimise cash outflow and secure sufficient working capital. The Group traded wherever possible during the periods when restrictions were eased, however, the associated uncertainty had an enormous impact on the desire and ability of promoters and retailers to trade with us during this time. The principal focus of the Group remains the concentration of efforts on our core business units of promotions, Retail Merchandising Units ("RMUs") and Mobile Promotions Kiosks ("MPKs") in both the UK and Germany.

Group revenue was 64% lower than in the previous year, due to the unavailability of venues for bookings for the majority of 2020.

Efforts to reduce costs resulted in a 65% reduction in UK cost of sales where venues remained closed while German cost of sales remained in line with revenue as trading resumed for periods of the year. Group administrative expenses also fell by 12% compared with the previous year.

As a result, the Group generated an operating loss before non-recurring costs of £2.1 million compared with a profit of £0.1 million in 2019.

The Group also had non-recurring charges during the year of £1.4 million. These were in relation to a £1.1m impairment in the carrying value of goodwill relating to the UK Retail sub-group and costs incurred in relation to the reduction in the number of staff in the UK and Germany of £0.3 million. With the exception of costs in relation to the reduction in the number of staff, these costs were non-cash items.

Revenue

Revenue generated in 2020 was £2.8 million, which was £4.9 million (64%) lower than in the previous year. Due to a change in the revenue recognition policy, explained in note 3 to the financial statements, this revenue amount of £2.8 million includes £0.6 million of revenue in relation to bookings that were taken in prior years, but were due to take place in 2020.

Of the £0.6 million included in 2020 revenue due to the change in policy, £0.5 million was subsequently cancelled and credited due to unavailability of venues due to lockdown periods during the year. Therefore, only £0.1 million of the revenue generated in 2020 related to bookings brought forward as a result of the change in policy.

UK promotional revenue fell by 77% to £0.8 million (including the net £0.1 million due to the change in revenue recognition policy less subsequent cancellations and credits) compared with 2019. This fall was entirely as a result of the lockdowns and restrictions we faced as a result of the Covid-19 pandemic. UK retail revenue fell by 67% to £0.9 million in 2020 for the same reason. Due to lockdowns, the utilisation of RMUs in operation in the UK fell by 59% and the availability of MPKs fell by 61%.

Revenue in the German retail division increased by 5% despite the extensive lockdowns as a result of a 13% increase in the average number of RMUs in operation during the year to 60 RMUs (2019: 53 RMUs). This was due to the renewal of the agreement with ECE in 2019, for a significantly increased number of RMUs during 2020.

German promotional revenue decreased by 85% compared with the previous year as the remaining long-term bookings came to an end. It is not anticipated that this division will generate any significant new business for the foreseeable future.

Administrative Expenses

The focus on driving efficiency in the business through reducing administrative expenses continued in 2020. The 12% reduction of £0.6 million followed a £0.4 million (8%) reduction in the previous year. Government support in both the UK and Germany to support salaries during 2020 of £0.6 million is disclosed within other operating income.

The average number of people employed in the business fell by 12 to 68 in 2020. This was primarily due to a reduction in the number of telesales and commercial staff from 41 to 30, as a result of the decision to reduce headcount during the summer of 2020.

Losses

The operating loss before non-recurring costs was £2.1 million (2019: profit of £0.1 million).

Basic Earnings per Share ("EPS") fell to (17.2)p (2019: positive 0.3p). Fully diluted EPS fell to (17.2)p (2019: positive 0.3p). Basic EPS is calculated as profit after tax and attributable to the owners of the Company divided by the weighted average number of shares in issue during the year which was 19,519,563 (2019: 19,519,563).

Basic EPS excluding non-recurring costs and discontinued operations fell to (7.2)p (2019: positive 0.3p).

Fully diluted EPS excluding non-recurring costs and discontinued operations fell to (7.2)p (2019: positive 0.3p).

Fully diluted EPS also takes into account the number of shares that would be issued on the exercise of outstanding share options. The weighted average number of shares used to calculate the diluted EPS was 21,053,117 (2019: 20,990,883).

Cash Flow

The Group cash outflow from operations was £1.2 million (2019: inflow of £0.2 million). This was due to EBITDA being a loss of £2.5 million and there being an offsetting movement of £1.3 million in working capital. As at the end of 2020, the Group had drawn down £1.75 million of its banking facilities (2019: £0.75 million). With the gross cash position being £0.4 million lower at the end of 2020 than 2019 at £0.8 million (2019: £1.2 million), this resulted in borrowings net of cash being £0.9 million (2019: net cash asset of £0.5 million).

Gregor Dunlay
Chief Financial Officer
3 June 2021

Consolidated Statement of Comprehensive Income

For the 12 months ended 31 December 2020

	Notes	12 months to 31 December '20 £'000	12 months to 31 December '19 as restated £'000
Continuing Operations			
Revenue	4	**2,813**	**7,655**
Cost of sales	4	(1,417)	(2,865)
Gross profit		**1,396**	**4,790**
Administration expenses		(4,267)	(4,838)
Other operating income	5	739	175
Operating (loss) / profit before non-recurring costs		**(2,132)**	**127**
Non-recurring charges	8	(1,442)	-
Operating (loss) / profit		**(3,574)**	**127**
Finance costs	9	(27)	(23)
(Loss) / profit before taxation		**(3,601)**	**104**
Taxation	10	519	(21)
(Loss) / profit after taxation		**(3,082)**	**83**
Loss from discontinued operation	12	**(512)**	(41)
(Loss) / profit for the period		**(3,594)**	**42**
Other comprehensive income			
Foreign exchange differences on translation of foreign operations		(30)	(21)
Total comprehensive income for the period		**(3,624)**	**21**
(Loss) / profit for the period attributable to			
Owners of the Company		(3,355)	60
Non-controlling interests		(239)	(18)
		(3,594)	**42**
Total comprehensive income for the period attributable to			
Owners of the Company		(3,385)	39

Non-controlling interests		(239)	(18)
		(3,624)	**21**
(Loss) / earnings per share	26		
Basic - before non-recurring charges and discontinued operation		(7.2)p	0.3p
Basic - after non-recurring charges and discontinued operation		(17.2)p	0.3p
Diluted - before non-recurring charges and discontinued operation		(7.2)p	0.3p
Diluted - after non-recurring charges and discontinued operation		(17.2)p	0.3p

Consolidated Statement of Financial Position

At 31 December 2020

	Notes	31 December '20 £'000	31 December '19 as restated £'000
Assets			
Non-current assets:			
Goodwill	14	6,881	7,981
Other intangible assets	15	-	-
Property, plant & equipment	16	1,028	894
Deferred tax asset		160	-
		8,069	**8,875**
Current assets:			
Trade & other receivables	17	1,990	3,428
Current tax receivable		176	-
Deferred tax asset	18	47	3
Cash & cash equivalents	19	839	1,227
		3,052	**4,658**
Total assets		**11,121**	**13,533**
Liabilities			
Current liabilities:			
Trade & other payables	20	4,222	4,231
Borrowings repayable within one year	21	972	-
Current tax payable	20	-	82
		5,194	**4,313**
Non-current liabilities:			
Lease liabilities	22	464	160
Other borrowings	21	778	750
		1,242	**910**
Total liabilities		**6,436**	**5,223**
Net assets		**4,685**	**8,310**
Equity			
Share capital	24	195	195
Share premium		4,868	4,868
Special reserve		233	233
Retained earnings		(587)	2,799
Equity attributable to owners of the Company		**4,709**	**8,095**
Non-controlling interest		(24)	215
Total equity		**4,685**	**8,310**

The financial statements were approved by the Board of Directors and authorised for issue on 3 June 2021.

Signed on behalf of the Board of Directors by:

Nancy Cullen - Director

Consolidated Statement of Cash Flows

For the 12 months ended 31 December 2020

	Notes	12 months to 31 December '20	12 months to 31 December '19 as restated
		£'000	£'000
Cash flows from operating activities			
Cash generated from operations		(1,185)	252
Interest received - discontinued operation	12	6	4
Interest paid	9	(27)	(23)
Taxation		57	(262)
Net cash outflow from operating activities		**(1,149)**	**(29)**
Cash flows from investing activities			
Purchase of intangible assets	15	-	(1)
Purchase of property, plant & equipment	16	(32)	(47)
Net cash outflow from investing activities		**(32)**	**(48)**
Cash flows from financing activities			
Bank facility drawn		1,000	750
Payment of lease obligations		(207)	(191)
Dividends paid	13	-	(98)
Net cash inflow from financing activities		**793**	**461**
(Decrease) / increase in cash and cash equivalents		**(388)**	**384**
Cash and cash equivalents at beginning of Period		1,227	843
Cash and cash equivalents at end of period	19	**839**	**1,227**

Reconciliation of operating profit to net cash flow from operating activities			
Operating (loss) / profit		(4,092)	82
Write off of goodwill	14	1,100	-
Amortisation of intangible assets	15	-	5
Depreciation of property, plant & Equipment	16	326	551
Effect of foreign exchange rate moves		(33)	(13)
Decrease in receivables		1,438	133
Decrease in payables		76	(506)
Cash (outflow) / inflow from operating activities		**(1,185)**	**252**

Consolidated Statement of Changes in Equity

For the 12 months ended 31 December 2020

	Share capital £'000	Share premium £'000	Special reserve £'000	Retained Earnings £'000	Non-controlling interest £'000	Total equity £'000
At 31 December 2018 as originally stated	**195**	**4,868**	**233**	**3,822**	**233**	**9,351**
Prior period adjustment *	-	-	-	(964)	-	(964)
At 31 December 2018 as restated	**195**	**4,868**	**233**	**2,858**	**233**	**8,387**
Comprehensive income:						
Foreign currency translation	-	-	-	(21)	-	(21)
Profit/(loss) for the period as restated *	-	-	-	60	(18)	42
Total comprehensive income	**-**	**-**	**-**	**39**	**(18)**	**21**
Transactions with owners:						
Dividends paid	-	-	-	(98)	-	(98)
Total transactions with owners	**-**	**-**	**-**	**(98)**	**-**	**(98)**
At 31 December 2019 as originally stated	**195**	**4,868**	**233**	**3,771**	**215**	**9,282**
Prior period adjustment	**-**	**-**	**-**	**(972)**	**-**	**(972)**
At 31 December 2019 as restated	**195**	**4,868**	**233**	**2,799**	**215**	**8,310**
Comprehensive income:						
Foreign currency translation	-	-	-	(30)	-	(30)
Loss for the period	-	-	-	(3,356)	(239)	(3,595)
Total comprehensive income	**-**	**-**	**-**	**(3,386)**	**(239)**	**(3,625)**
Transactions with owners:						
Dividends paid	-	-	-	-	-	-
Total transactions with owners	**-**	**-**	**-**	**-**	**-**	**-**
At 31 December 2020	**195**	**4,868**	**233**	**(587)**	**(24)**	**4,685**

* See note 2 for details regarding the restatement as the result of the change in revenue recognition policy.

Notes to the Financial Statements

For the 12 months ended 31 December 2020

1. General information

SpaceandPeople plc is a public limited company incorporated and domiciled in Scotland (registered number SC212277) which is listed on AIM (dealing code SAL).

2. Basis of preparation

The Group's financial statements for the period ended 31 December 2020 and for the comparative period ended 31 December 2019 have been prepared on a going concern basis under the historical cost convention in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and International Financial Reporting Interpretations Committee (IFRIC) interpretations, and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

Going Concern

The Directors are required to prepare the statutory financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business. In satisfaction of this responsibility the Directors have considered the Group's ability to meet its liabilities as they fall due.

The Group meets its day-to-day cash requirements through working capital management and the use of existing bank overdraft and loan facilities. Management information tools including budgets and cash flow forecasts are used to monitor and manage current and future liquidity.

The Group continues to pay special attention to the ongoing Covid-19 pandemic and the associated impact on the business, including:

- The availability of venues and space to sell on behalf of our customers;
- Interruption to operations due to an absence of staff for a period due to either contracting the virus or government measures implemented to control outbreaks; and
- A fall in revenue and decreased cash flow due to lockdowns.

The current and future financial position of the Group, its cash flows and liquidity position continue to be reviewed by the Directors. They take a prudent view on the likely recovery in each of the Group's divisions and have stress tested these assumptions to ensure that cash flows and liquidity are sufficiently robust to allow the Group to continue to trade during this period.

The Group continues to manage its cash flows prudently through a number of methods, including:

- The JRS in the UK and the German equivalent for staff based there;
- Availability of £2.0 million of term loans and £0.75 million of overdraft facilities through the CBIL scheme;
- Suspension of minimum income guarantees with landlords; and
- Pausing planned discretionary capital expenditure.

Since the end of 2020, the Group has refinanced its facilities with its principal banker. The Group now has term loans in place that mature in 2025 and 2027 along with three-year overdraft facilities that are repayable on demand. New covenants are in place that reflect the current trading position and a prudent view of recovery from the pandemic.

The Directors are confident that the additional funding facilities and support from our bankers will provide sufficient headroom to meet the forecast cash requirements. The Group's current and long-term forecast outlook has provided further assurance to the Directors regarding its financial position.

As such, the Directors consider that it is appropriate to prepare the financial statements on the going concern basis.

Accounting developments

New and revised IFRSs applied

Title	Implementation	Effect on Group
Amendments to 'References to the Conceptual Framework in IFRS Standards'	Annual periods beginning on or after 1 January 2020	There is no material impact on the financial statements.
Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)	Annual periods beginning on or after 1 January 2020	There is no material impact on the financial statements.
Definition of a Business (Amendments to IFRS 3)	Annual periods beginning on or after 1 January 2020	There is no material impact on the financial statements.
Definition of Material (Amendments to IAS 1 and IAS 8)	Annual periods beginning on or after 1 January 2020	There is no material impact on the financial statements.

The following amendments will be introduced in future periods

Title	Implementation	Effect on Group
COVID-19 Related Rent Concessions (Amendments to IFRS16)	Annual period beginning on or after 1 June 2020	The Board does not anticipate any material impact on the financial statements
Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9, IAS 39 and IFRS 7, IFRS 4 and IFRS 16)	Annual periods beginning on or after 1 January 2021	The Board does not anticipate any impact on the financial statements.
Onerous Contracts - Cost of Fulfilling a Contract (Amendment to IAS 37)	Annual periods beginning on or after 1 January 2022	The Board does not anticipate any impact on the financial statements.
Annual Improvements to IFRS Standards 2018 - 2020	Annual periods beginning on or after 1 January 2022	The Board does not anticipate any impact on the financial statements.
Property, Plant and Equipment: Proceeds Before Intended Use (Amendments to IAS 16)	Annual periods beginning on or after 1 January 2022	The Board does not anticipate any impact on the financial statements.
Reference to the Conceptual Framework (Amendments to IFRS 3)	Annual periods beginning on or after 1 January 2022	The Board does not anticipate any impact on the financial statements.
Classification of Liabilities as Current or Non-current (Amendments to IAS 1)	Annual periods beginning on or after 1 January 2023	The Board does not anticipate any impact on the financial statements.

IFRS 17 Insurance Contracts and Amendments to IFRS 17 Insurance Contracts	Annual periods beginning on or after 1 January 2023	The Board does not anticipate any impact on the financial statements.

Management anticipates that the standards and interpretations in issue, but not yet effective will be adopted in the financial statements when they become effective and currently foresee no material impact by the adoptions on the financial statements of the Group in the period of initial application. However, this will be assessed further upon implementation.

3. Accounting policies

Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss of goodwill is recognised directly in the consolidated statement of comprehensive income. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of an associate is described below.

Investments in subsidiaries

The parent Company's investments in subsidiary undertakings are included in the Company statement of financial position at cost, less provision for any impairment in value.

Revenue

Revenue is measured at the fair value of consideration received or receivable. Revenue is shown net of value-added tax, rebates and discounts and after eliminating intergroup sales. Revenue is recognised when the amount of revenue can be measured reliably, it is probable that future economic benefits will flow to the Group and when the relevant performance obligation is satisfied. The performance obligation is considered to be when the promotional or retail booking occurs. This performance obligation is satisfied over time. Revenue does not contain a financing component nor any element of variable consideration.

Promotion divisions

Revenue in the UK promotion division is recognised at the point at which a promotion takes place and is agreed by all parties. This policy is adopted as our contractual right to commission income is crystallised at this point. Payment of a deposit is typically due when the booking is made with the balance payable 30 days prior to the promotion taking place or in instalments if the promotion is of a duration longer than 30 days.

Revenue in the German promotion division is in relation to historic multi-year bookings ending in 2021. The right to recognise this revenue has already crystalised and therefore it is considered appropriate to recognise this revenue in 2020.

Retail divisions

Revenue in the UK and German retail divisions is recognised in the month during which the booking takes place. This is due to the requirement to match the revenue with performance obligations. Payment is due in advance on a monthly basis.

Change in accounting policy relating to revenue recognition

Under the previous accounting policy, revenue in the UK promotion division was recognised at the point at which a booking was confirmed and was agreed by the promoter and the venue. This was when the contractual right to commission was deemed to occur and payment of a deposit was typically due upon confirmation from which commissions were collected.

Contract renewals and new customer contracts have typically seen the introduction of further requirements on the division in terms of managing the booking, including communications with venue and promoter in advance of and during the promotion. Commercial terms have also evolved so that it is now typical that commission due to the division only becomes due at the date of promotion or in instalments during the promotion rather than at the date the booking was confirmed.

As such, recognising the commission at and during the promotion is the appropriate policy for the division as a whole with revenue being recognised only once the promotion has commenced and the commission amount becomes receivable.

The following table summarises the impact of the change in policy on the profit and net assets of the division and Group.

	12 months to December '20 £,000	12 months to December '19 £'000
Consolidated statement of profit or loss		
Revenue - previous policy	196	3,519
Increase / (decrease) in revenue	600	(8)
Revenue - new policy	796	3,511

Consolidated statement of financial position	31 December '20 £'000	31 December '19 £'000
Deferred revenue - previous policy	-	-
Increase in deferred revenue	372	972
Deferred revenue - new policy	372	972

Under the new revenue recognition policy, deferred revenue at 31 December 2018 has increased to £964k from £nil. The impact of this is shown in the Statement of Changes in Equity.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount on initial recognition.

Leasing

IFRS 16 requires capitalisation of all leasing agreements with duration exceeding 12 months, whereas the previous regulations only required capitalisation of finance leases. The right-of-use asset and liability to be recognised for each leasing agreement is the present value of the lease payments.

The Group has adopted IFRS 16 retrospectively from 1 January 2019 using the modified retrospective approach, as permitted under the specific transitional provisions in the standard.

The Group applied the following practical expedients as permitted by the standard on transition:

- non recognition of right of use assets and liabilities for leases of low value or for which the lease term ends within 12 months of the date of transition
- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics
- the exclusion of initial direct costs for the measurement of the right of use asset at the date of initial application
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

At inception, the Group assesses whether a contract is, or contains, a lease within the scope of IFRS 16. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Where a tangible asset is acquired through a lease, the Group recognises a right-of-use asset and a lease liability at the lease commencement date. Right-of-use assets are included within property, plant and equipment.

The right-of-use asset is initially measured at cost, which comprises the present value of minimum lease payments determined at the inception of the lease. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of other property, plant and equipment. The right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are unpaid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise fixed payments, variable lease payments that depend on an index or a rate, amounts expected to be payable under a residual value guarantee, and the cost of any options that the Group is reasonably certain to exercise, such as the exercise price under a purchase option, lease payments in an optional renewal period, or penalties for early termination of a lease.

The lease liability is remeasured when there is a change in: future lease payments arising from a change in an index or rate; the Group's estimate of the amount expected to be payable under a residual value guarantee; or the Group's assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less, or for leases of low-value assets including IT equipment. The payments associated with these leases are recognised in profit or loss on a straight-line basis over the lease term.

The Group has made judgements in adopting IFRS 16 such as identifying contracts in scope for IFRS 16, determining the interest rate used for the discounting of future cashflows, and the determining lease terms where the lease has extension or termination options.

Property, plant & equipment

Depreciation is provided at the annual rates below in order to write off each asset over its estimated useful life.

Plant & equipment	-	12.5% of cost
Fixtures & fittings	-	25% of cost
Computer equipment	-	25% of cost
Computer software	-	33% of cost

Property, plant & equipment is stated at cost less accumulated depreciation to date.

Intangible assets

Website development costs
The Group capitalises all costs directly attributable to further developing its websites, while costs which relate to on-going maintenance are expensed as they arise. The capitalised costs are depreciated over three years.

Patents and trademarks
The costs of obtaining patents and trademarks are capitalised and written off over the economic life of the asset acquired.

Impairment of non-current assets
The need for any non-current asset impairment is assessed by comparison of the carrying value of the asset against the higher of realisable value and the value in use or, in the case of intangible assets, the anticipated future cash flows arising from the asset.

Taxation

The tax credit or expense represents the sum of tax and deferred tax currently recoverable or payable. Tax currently recoverable or payable is based on the taxable loss or profit for the period. The Group's asset or liability for current tax is calculated using rates that have been enacted or substantially enacted at the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in computation of taxable profits and is accounted for using the liability method. Deferred tax liabilities are recognised for all temporary timing differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises 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.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent 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 is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

Foreign exchange

Items included in the Group's financial statements are measured using Pounds Sterling, which is the currency of the primary economic environment in which the Group operates and is also the Group's presentational currency.

Transactions denominated in foreign currencies are translated into Sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates at that date. These translation differences are dealt with in the profit and loss account.

The income and expenditure of overseas operations are translated at the average rates of exchange during the period. Monetary items on the balance sheet are translated into Sterling at the rate of exchange ruling on the balance sheet date and fixed assets at historical rates. Exchange difference arising are treated as a movement in reserves.

Financial instruments

Financial assets and liabilities are recognised in the Group's balance sheet when it becomes a party to the contractual provisions of the instrument.

Trade and other receivables

Trade and other receivables are carried at original invoice value less an allowance for any uncollectable amounts. An allowance for bad debts is made when there is objective evidence that the Group will not be able to collect the debts. Bad debts are written off in the income statement when identified.

Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost and comprise cash in hand, cash at bank and deposits with banks.

Trade and other payables

Trade and other payables are carried at amortised costs and represent liabilities for goods or services provided to the Group prior to the period end that are unpaid and arise when the Group becomes obliged to make future payments in respect of these goods and services.

Equity instruments

Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

Share based payments

The Group operates a number of equity settled share-based payment schemes under which share options are issued to certain employees. The fair value determined at the grant date of the equity settled share-based payment, where material, is expensed on a straight-line basis over the vesting period. For schemes with only market-based performance conditions, those conditions are considered in arriving at the fair value at grant date.

Pensions

The Group pays contributions to the personal pension schemes of the majority of employees. Contributions are charged to the income statement in the period in which they fall due.

Critical accounting judgements and estimates

The preparation of financial statements in conformity with IFRS requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenditure during the period. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates. IFRS also requires management to exercise its judgement in the process of applying the Group's accounting policies.

The areas where significant judgements and estimates have been made in the preparation of these financial statements are the useful lives and impairment of non-current and intangible assets, impairment of the value of investment in associates and taxation. Explanations of the methodology and the resultant assumptions are detailed in the relevant accounting policies above and the respective notes to the financial statements.

Borrowing costs

Borrowing costs are amortised over the duration of the loan and recognised throughout the term of the loan.

4. **Segmental reporting**

The Group maintains its head office in Glasgow and a subsidiary office in Hamburg, Germany. These are reported separately. In addition, the retail business, now trading as POP Retail, has a subsidiary in Germany. The Group has determined that these are the principal operating segments as the performance of these segments is monitored separately and reviewed by the Board.

The following tables present revenues, results and asset and liability information regarding the Group's two core business segments - Promotional Sales and Retail, split by geographic area, after licence fees and management charges made between Group companies. The Other segment incorporates SpaceandPeople India.

Segment revenues and Results for 12 months to 31 December '20	Promotion UK £'000	Promotion Germany £'000	Retail UK £'000	Retail Germany £'000	Head Office £'000	Other £'000	Group £'000
Revenue	**796**	**46**	**925**	**1,046**	**-**	**-**	**2,813**
Cost of sales	-	-	(753)	(664)	-	-	(1,417)
Administrative expenses	(1,955)	(136)	(250)	(1,069)	(857)	-	(4,267)
Other revenue	439	5	-	295	-	-	739
Non-recurring charges	(18)	(111)	-	-	(1,313)	-	(1,442)
Loss associated with discontinued operation	-	-	-	-	-	(518)	(518)
Segment operating loss	**(738)**	**(196)**	**(78)**	**(392)**	**(2,170)**	**(518)**	**(4,092)**
Finance costs - continuing operations	(27)	-	-	-	-	-	(27)
Finance income - discontinued operation	-	-	-	-	-	6	6
Segment loss before taxation	**(765)**	**(196)**	**(78)**	**(392)**	**(2,170)**	**(512)**	**(4,113)**

Segment assets and Liabilities as at 31 December '20	Promotion UK £'000	Promotion Germany £'000	Retail UK £'000	Retail Germany £'000	Other £'000	Group £'000
Total segment assets	5,327	89	4,735	545	525	11,221
Total segment liabilities	(5,175)	(45)	(714)	(561)	(41)	(6,536)
Total net assets	**152**	**44**	**4,021**	**(16)**	**484**	**4,685**

Segment revenues and results for 12 months to 31 December '19 as restated	Promotion UK £'000	Promotion Germany £'000	Retail UK £'000	Retail Germany £'000	Head Office £'000	Other £'000	Group £'000
Revenue	**3,511**	**312**	**2,839**	**993**	**-**	**-**	**7,655**
Cost of sales	-	-	(2,160)	(705)	-	-	(2,865)
Administrative expenses	(2,436)	(303)	(272)	(986)	(841)	-	(4,838)
Other revenue	-	74	-	101	-	-	175
Loss associated with discontinued operation	-	-	-	-	-	(45)	(45)
Segment operating profit/(loss)	**1,075**	**83**	**407**	**(597)**	**(841)**	**(45)**	**82**
Finance costs - continuing operations	(23)	-	-	-	-	-	(23)
Finance income - discontinued operation	-	-	-	-	-	4	4
Segment profit/(loss)	**1,052**	**83**	**407**	**(597)**	**(841)**	**(41)**	**63**

before taxation

Segment assets and liabilities as at 31 December '19 as restated	Promotion UK £'000	Promotion Germany £'000	Retail UK £'000	Retail Germany £'000	Other £'000	Group £'000
Total segment assets	6,253	285	4,714	738	568	12,558
Total segment liabilities	(2,897)	(72)	(764)	(489)	(26)	(4,248)
Total net assets	**3,356**	**213**	**3,950**	**249**	**542**	**8,310**

5. Other operating income

Other operating income is comprised of:

	12 months to December '20 £'000	12 months to December '19 £'000
Government grants	595	-
Ancillary charges	144	175
	739	**175**

6. Operating (loss) / profit

The operating (loss) / profit is stated after charging:

	12 months to December '20 £'000	12 months to December '19 £'000
Amortisation of intangible assets	-	5
Impairment of goodwill	1,100	-
Depreciation of property, plant and equipment	234	350
Depreciation of right of use assets	263	201
Interest charges in relation to finance lease obligations	61	33
Auditor's remuneration:		
Fees payable for:		
Audit of Company	27	23
Audit of subsidiary undertakings	16	17
Tax services	7	13
Other services	19	18
	69	**71**
Directors' remuneration	**887**	**525**

7. Staff costs

The average number of employees in the Group during the period was as follows:

	12 months to December '20	12 months to December '19
Executive Directors	4	3
Non-executive Directors	3	2
Administration	25	27
Telesales	25	33
Commercial	5	8
Maintenance	7	7
	69	**80**

	12 months to December '20 £'000	12 months to December '19 £'000
Wages and salaries	2,500	2,960
Social Security costs	276	361
Pensions	67	75
	2,843	**3,396**

Details of Directors' emoluments, including details of share option schemes, are given in the remuneration report. These disclosures form part of the audited financial statements of the Group.

8. Non-recurring charges

Following the annual impairment review of goodwill based on the discounted cash flow projections of the UK Retail division, the value of the goodwill in this CGU has been impaired by £1.10 million. Details of the impairment review are disclosed at note 12.

The Group also incurred redundancy and severance costs of £0.34 million during the year as it restructured staffing and management due to the Covid-19 pandemic.

Following a review of the carrying value of assets and liabilities in S&P India Pvt Limited during the year, debtors with a previous book value of £0.50 million were deemed to be impaired and were written down in full. As the investment in this business was disposed of following the year end, this charge is included within discontinued operations.

The Directors consider all of these costs to be non-recurring.

9. Finance income and costs

	12 months to December '20 £'000	12 months to December '19 £'000
Finance costs:		
Interest payable	**(27)**	**(23)**

10. Taxation

	12 months to December '20 £'000	12 months to December '19 £'000
Current tax expense:		
Current tax on (losses) / profits for the year	-	130
Adjustment for under/(over) provision in prior periods	(315)	(4)
Total current tax	(315)	126
Foreign tax:		
Current tax on foreign income for the period	-	46
Adjustment for under/(over) provision in prior periods	-	(47)
Total foreign tax	-	(1)
Deferred tax:		
Charge in respect of temporary timing differences	-	(19)
Adjustment for under/(over) provision in prior periods	(204)	(85)
Total deferred tax	(204)	(104)
Income tax (credit) / expense as reported in the income statement	**(519)**	**21**

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The differences are explained below:

	12 months to December '20 £'000	12 months to December '19 £'000
(Loss) / profit on ordinary activities before tax	(3,874)	71
Profit on ordinary activities at the standard rate of corporation tax in the UK of 19% (2019: 19%)		
Jan - Dec 2019: 19%	-	13
Jan - Dec 2020: 19%	(736)	-
Tax effect of:		
- Adjustment for (over)/under provision in prior periods	(353)	(136)
- Effect of losses carried back	180	-
- Effect of foreign tax	112	-
- Disallowable items	278	5
- Tax losses	-	139
Income tax expense as reported in the Income Statement	**(519)**	**21**

11. Loss for the period

The Company has taken advantage of the exemption allowed under Section 408 of the Companies Act 2006 and has not presented its own Income Statement in these financial statements. The Group profit for the period includes a Company loss after tax of £1,397k after the incorporation of all UK head office costs (2019 restated profit: £143k) which is dealt with in the financial statements of the parent Company.

12. Discontinued operation

On 15 January 2021, the Group disposed of its entire holding in SpaceandPeople India (Pvt) Limited and is reported in the current period as a discontinued operation. Financial information relating to the discontinued operation is disclosed below.

The financial performance for the periods ended 31 December 2020 and 31 December 2019.

	12 months to December '20 £'000	12 months to December '19 £'000
Revenue	-	72
Administrative expenses [1]	(518)	(117)
Finance income	6	4
Loss from discontinued operation	**(512)**	**(41)**

[1] Includes £497k provision against recoverability of trade debtors in 2020.

13. Dividends

	12 months to December '20 £'000	12 months to December '19 £'000
Paid during the period	-	98
Recommended final dividend	-	-

Equity - The Directors do not recommend a final dividend for 2020 (2019: £nil).

14. Goodwill

Cost	£'000
At 31 December 2018	8,225
Additions	-

At 31 December 2019	8,225
Additions	-
At 31 December 2020	**8,225**

Accumulated impairment losses	
At 31 December 2018	244
Charge for the period	-
At 31 December 2019	244
Charge for the period	1,100
At 31 December 2020	**1,344**

Net book value	
At 31 December 2018	7,981
At 31 December 2019	7,981
At 31 December 2020	**6,881**

Goodwill acquired in a business combination is allocated at acquisition to the cash-generating units (CGUs) that are expected to benefit from that business combination. The Directors consider that the businesses of the UK Retail sub-group are an identifiable CGU and the carrying amount of Goodwill is allocated against this CGU.

The recoverable amount of the cash generating unit was determined based on value-in-use calculations, covering a detailed forecast, followed by an extrapolation of expected cash flows based on the targeted and expected growth rate over the next five years followed by a terminal factor determined by management.

The present value of the future cash flows is then calculated using a discount rate of 8.08%. This discount rates include appropriate adjustments to reflect, in the directors' judgement, the market risk and specific risk of the GGU.

The growth rate utilised in calculation of the terminal factor is based on expected inflationary growth in the UK beyond the period of forecasting. The growth rate used was 2.5%.

Cash flow projections during the budget period are based on an average growth in EBITDA which the Directors consider to be conservative given the plans for the businesses and the potential increased returns particularly in relation to the pipeline of new business opportunities, offset by the short and medium-term issues caused by Covid-19. The discount rates reflect appropriate adjustments relating to market risk and specific risk factors of each CGU.

Based on this cash flow projection, the Directors have concluded that the value of the goodwill in this CGU has been impaired by £1,100,000 and as a result, the value of the goodwill for the UK Retail sub-group is now £6,881,000.

The estimate of recoverable amount for the CGU is sensitive to the discount rate, the cash flow projections and the growth rate.

If the discount rate used is increased beyond 8.08%, for each further movement of 1% an impairment loss of £0.45 million would have to be recognised and written off against goodwill.

If the annual growth rate beyond 2021, used in the cash flow projection, is decreased below 2.5%, for each further movement of 1% an impairment loss of £0.86 million would have to be recognised and written off against goodwill.

15. Other intangible assets

Cost	Website development £'000	Product development £'000	Patents & trademarks £'000	Total £'000
At 31 December 2018	284	137	115	536
Additions	-	-	1	1
At 31 December 2019	284	137	116	537
Additions	-	-	-	-
At 31 December 2020	**284**	**137**	**116**	**537**

Amortisation	Website Development £'000	Product development £'000	Patents & Trademarks £'000	Total £'000
At 31 December 2018	284	137	111	532
Charge for the period	-	-	5	5
At 31 December 2019	284	137	116	537
Charge for the period	-	-	-	-
At 31 December 2020	**284**	**137**	**116**	**537**

Net book value	Website development £'000	Product Development £'000	Patents & Trademarks £'000	Total £'000
At 31 December 2018	-	-	4	4
At 31 December 2019	-	-	-	-
At 31 December 2020	**-**	**-**	**-**	**-**

16. Property, plant and equipment

The Group movement in property, plant & equipment assets was:

Cost	Plant & equipment £'000	Fixture & fittings £'000	Computer equipment £'000	Right of use assets property £'000	Right of use assets plant & equipment £'000	Total £'000
At 31 December 2018	3,054	286	766	-	-	4,106
Additions on application of IFRS 16	-	-	-	243	85	328
Additions	-	4	43	177	52	276
Forex	(8)	-	-	-	-	(8)
At 31 December 2019	**3,046**	**290**	**809**	**420**	**137**	**4,702**
Additions	15	3	14	568	39	639
Disposals	-	-	-	(166)	(15)	(181)
Forex	-	2	-	-	-	2
At 31 December 2020	**3,061**	**295**	**823**	**822**	**161**	**5,162**

Depreciation	Plant & equipment £'000	Fixture & fittings £'000	Computer equipment £'000	Right of use assets property £'000	Right of use assets plant & equipment £'000	Total £'000
At 31 December 2018	2,353	263	641	-	-	3,257
Charge for the period	243	12	95	156	45	551
At 31 December 2019	2,596	275	736	156	45	3,808
Charge for the period	171	5	58	209	54	497
Depreciation on disposals	-	-	-	(165)	(6)	(171)
At 31 December 2020	**2,767**	**280**	**794**	**200**	**93**	**4,134**

Net book value	Plant & equipment	Fixture & fittings	Computer equipment	Right of use	Right of use assets	Total

				assets property	plant & equipment	
	£'000	£'000	£'000	£'000	£'000	£'000
At 31 December 2018	701	23	125	-	-	849
At 31 December 2019	450	15	73	264	92	894
At 31 December 2020	**294**	**15**	**29**	**622**	**68**	**1,028**

The right of use lease liabilities are secured against the right of use assets.

17. Trade and other receivables

	31 December '20	31 December '19
	£'000	£'000
Trade debtors	1,545	2,840
Other debtors	110	339
Prepayments	335	249
Total	**1,990**	**3,428**
Amounts falling due after more than one year included above are:	92	417

The maximum exposure to credit risk at the balance sheet date is the carrying amount of receivables detailed above. The Group does not hold any collateral as security.

The Directors do not believe that there is a significant concentration of credit risk within the trade receivables balance. As of 31 December 2020, trade receivables of £1.1 million (2019: £1.2 million) were past due but not impaired.

The ageing of trade debtors:

	Current	0 - 30 Days	31 - 60 Days	61 Days +	Total
	£'000	£'000	£'000	£'000	£'000
31 December '20	445	313	292	495	**1,545**
31 December '19	1,640	487	227	486	**2,840**

18. Deferred tax

	31 December '20	31 December '19
	£'000	£'000
Deferred tax liability:		
Deferred tax liability to be recognised after more than 12 months	-	(44)
Deferred tax assets:		
Deferred tax asset to be recognised after less than 12 months	47	47
Deferred tax asset to be recognised after more than 12 months	160	-
Deferred tax asset	**207**	**3**
At 1 January 2020	3	(101)
Adjustment in respect of losses	188	-
Adjustment in respect of previous year	-	85
	16	19

Charge in respect of temporary timing differences on property, plant and equipment		
At 31 December 2020	**207**	**3**

19. Cash and cash equivalents

	31 December '20 £'000	31 December '19 £'000
Cash at bank and on hand	839	1,227
	839	**1,227**

20. Trade and other payables

	31 December '20 £'000	31 December '19 as restated £'000
Trade creditors	672	419
Other creditors	1,244	1,391
Lease liabilities	286	206
Social Security and other taxes	185	301
Accrued expenses	1,108	657
Deferred income	727	1,257
Trade and other payables	**4,222**	**4,231**
Corporation tax	-	82
Total	**4,222**	**4,313**

All trade and other payables are short term. The carrying values of trade and other payables are considered to be a reasonable approximation of fair value.

21. Other borrowings

	31 December '20 £'000	31 December '19 £'000
Bank loan:		
Less than one year	972	-
Greater than one year	778	750
	1,750	**750**

As at 31 December 2020, SpaceandPeople plc had drawn down £0.75 million (2019: £0.75 million) of its agreed bank revolving credit facility of £1.0 million which expires in October 2021. Additionally, a £1.0 million CBILS loan with a term of five years was drawn down as at 31 December 2020 (2019: £nil). SpaceandPeople plc also had a £0.25 million overdraft facility of which £nil was used as at 31 December 2020 (2019: £nil).

22. Leases

Amounts recognised in the balance sheet:

The balance sheet shows the following amounts relating to leases:

	31 December '20 £'000	31 December '19 £'000
Right of use assets		
Property	622	264
Plant and equipment	68	92
	690	**356**

Lease liabilities		
Current	286	206
Non-current	464	160
Total	**750**	**366**

Amounts recognised in the statement of profit or loss:

The statement of profit or loss shows the following amounts relating to leases:

	12 months to December '20	12 months to December '19
	£'000	£'000
Depreciation charge of right of use assets		
Property	209	156
Plant and equipment	54	45
	263	**201**

Below is a reconciliation of changes in liabilities arising from financing activities:

	1 January 2020	Cash flows	New Leases	Other	31 December 2020
	£'000	£'000	£'000	£'000	£'000
Current lease liabilities	206	(267)	122	225	286
Non-current lease liabilities	160	-	477	(173)	464
Total liabilities from financing activities	**366**	**(267)**	**599**	**52**	**750**

The "Other" column includes the effect of reclassification of non-current leases to current due to the passage of time, the effect of the disposal of lease assets with their related creditors and the effect of the unwinding of the discounted ROU creditors over time.

23. Financial instruments and risk management

The Group has no material financial instruments other than cash, current receivables and liabilities, in both this and the prior period, all of which arise directly from its operations. The net fair value of its financial assets and liabilities is the same as their carrying value as detailed in the balance sheet and related notes.

Credit risk - The Group's credit risk relates to its receivables and is managed by undertaking regular credit evaluations of its customers. The Group is aware that customers' financial strength may have been adversely affected by the Covid-19 pandemic and endeavours to work with them and our venue partners to provide appropriate discounts and payment plans to enable them to continue to trade and repay any amounts owed in an agreed manner. The Group does not routinely offer credit terms to the majority of customers.

Liquidity risk - The Group usually operates a cash-generative business and has significant cash headroom. The Directors consider the funding structure to be adequate for the Group's current funding requirements and this is expected to strengthen during future years.

Borrowing facilities - As at the balance sheet date, the Group has agreed facilities of £2.25 million, of which £1.75 million was utilised at the year end. These facilities are secured by a floating charge.

Financial assets - These comprise cash at bank and in hand. All bank deposits are floating rate.

Financial liabilities - These include short-term creditors, a revolving credit facility of £1 million, of which £0.75 million was utilised at the year end and a CBILS five-year term loan of £1 million. All financial liabilities will be financed from existing cash reserves and operating cash flows.

Foreign currency risk - The Group is exposed to foreign exchange risk primarily from Euros due to its German operations and Euro denominated licensing income as detailed in note 4 - Segmental Reporting. The Group monitors its foreign currency exposure and manages the position where appropriate. In addition, the Group has investments in a subsidiary in India.

24. Called up share capital

Allotted, issued and fully paid			31 December '20	31 December '19
Class	Nominal value			
Ordinary	1p	£	195,196	195,196
		Number	19,519,563	19,519,563

25. Related party transactions

Compensation of key management personnel

Key management personnel of the Group are defined as those persons having authority and responsibility for the planning, directing and controlling the activities of the Group, directly or indirectly. Key management of the Group are therefore considered to be the directors of SpaceandPeople plc. There were no transactions with the key management, other than their emoluments, which are set out in the remuneration report.

26. Earnings per share

	12 months to 31 December '20 Pence per share	12 months to 31 December '19 as restated Pence per share
Basic (loss) / earnings per share		
Before non-recurring charges and discontinued operation	(7.2)p	0.3p
After non-recurring charges and discontinued operation	(17.2)p	0.3p
Diluted (loss) / earnings per share	(7.2)p	0.3p
Before non-recurring charges and discontinued operation		
After non-recurring charges and discontinued operation	(17.2)p	0.3p

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	12 months to 31 December '20 £'000	12 months to 31 December '19 as restated £'000
(Loss) / profit after tax for the period attributable to owners of the Company	(3,355)	60
Non-recurring charges	1,442	-
Discontinued operation	512	
(Loss) / profit after tax for the period before non-recurring charges attributable to owners of the company	(1,401)	60

	12 months to 31 December '20	12 months to 31 December '19

	'000	'000
Weighted average number of ordinary shares for the purposes of basic earnings per share	19,520	19,520

Diluted earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of diluted earnings per share are as follows:

	12 months to 31 December '20 £'000	12 months to 31 December '19 £'000
(Loss) / profit after tax for the period attributable to owners of the Company	(3,355)	60
Non-recurring charges	1,442	-
Discontinued operation	512	-
(Loss) / profit after tax for the period before non-recurring charges attributable to owners of the company	(1,401)	60

	12 months to 31 December '20 '000	12 months to 31 December '19 '000
Weighted average number of ordinary shares for the purposes of diluted earnings per share	19,520	20,991

The weighted average number of ordinary shares for the purposes of diluted earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows.

	12 months to 31 December '20 '000	12 months to 31 December '19 '00
Weighted average number of shares in issue during the period	19,520	19,520
Weighted average number of ordinary shares used in the calculation of basic earnings per share deemed to be issued for no consideration in respect of employee options	-	1,471
Weighted average number of ordinary shares used in the calculation of diluted earnings per Share	19,520	20,991

As set out in notes 27, there are share options outstanding as at 31 December 2020 which, if exercised, would increase the number of shares in issue. However, the diluted loss per share is the same as the basic loss per share in the year to 31 December 2020, as the loss for the year has an anti-dilutive effect.

27. Share options

The Group has established a share option scheme that senior executives and certain eligible employees are entitled to participate in at the discretion of the Board which is advised on such matters by the Remuneration Committee.

In aggregate, share options have been granted under the share option scheme over 1,300,818 ordinary shares exercisable within the dates and at the exercise prices shown below, being the market value at the date of the grant.

Date of grant	Number	Option period	Price
12 January 2015	376,000	12 January 2018 - 12 January 2025	47.4p

1 July 2019	824,818	1 July 2022 - 1 July 2029	12.0p
1 October 2019	100,000	1 October 2022 - 1 October 2029	13.5p

The movement in the number of options outstanding under the scheme over the period is as follows:

	12 months to 31 December '20	12 months to 31 December '19
Number of options outstanding as at the beginning of the period	1,815,325	769,325
Granted	-	1,100,000
Lapsed	(300,000)	-
Forfeited	(214,507)	(54,000)
Number of options outstanding as at the end of the period	1,300,818	1,815,325

In total, 1,300,818 options were outstanding at 31 December 2020 (1,815,325 at 31 December 2019) with a weighted average exercise price of 22.3p (21.8p at 31 December 2019).

The total share-based payment charge for the year, calculated in accordance with IFRS2 on share-based payments, was £nil (2019: £nil).

28. Save As You Earn Scheme

The Group had a Save As You Earn ("SAYE") scheme that all UK based employees were entitled to participate in. The scheme ran for three years from 1 July 2017 with the opportunity to buy shares at a price of 19.5p, a 20% discount on the average closing share price on the three working days from 20 to 24 April 2017.

Share options had been granted under the SAYE scheme over 59,072 ordinary shares exercisable within the dates and at the exercise prices shown below, being the market value at the date of the grant.

Date of grant	Number	Option period	Price
18 May 2017	59,072	1 July 2020 - 31 December 2020	19.5p

The movement in the number of options outstanding under the scheme over the period is as follows:

	12 months to 31 December '20	12 months to 31 December '19
Number of options outstanding as at the beginning of the period	59,072	376,604
Granted	-	-
Lapsed	(59,072)	-
Forfeited	-	(317,532)
Number of options outstanding as at the end of the period	-	59,072

In total, no options were outstanding at 31 December 2020 (59,072 at 31 December 2019) with an average exercise price of £nil (19.5p at 31 December 2019).

The total share-based payment charge for the year, calculated in accordance with IFRS2 on share-based payments, was £nil (2019: £nil).

29. Post Balance Sheet Events

Following the end of the financial year, the Group disposed of its entire shareholding in SpaceandPeople India Pvt Limited for a nominal amount. The value of SpaceandPeople India Pvt Limited to the Group has been provided for during 2020 and as a result, there will be no material gain or loss on the disposal of this investment.

As mentioned elsewhere in this report, the Directors decided to refinance the Group's borrowing facilities with its principal banker ahead of their planned maturity in October 2021. The £1.0 million five-year term loan obtained during 2020 through the CBILS remains in place. The £1.0 million Revolving Credit Facility that was due to mature in October 2021 was cancelled in March

2021 and replaced by an additional £1.0 million six-year CBILS term loan, repayable between 2022 and 2027. The Group's £0.25 million annual overdraft facility that was due to mature in October 2021 has been replaced by a new £0.25 million facility and an additional £0.5 million overdraft facility. Both of these facilities were obtained under the CBILS, are repayable on demand and are available for three years. The increase in facilities along with the lengthened maturity periods gives the Group better financial security and certainty.

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