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For immediate release 29 April 2019

Challenger Acquisitions Limited

("Challenger" or the "Company")

Final Results

Challenger Acquisitions Limited (LSE: CHAL), is pleased to announce its final results for the period ended 31 December 2018.

CEO's Statement

The year 2018 started promising with the investment in the Dallas wheel project, followed by success in restructuring a significant convertible note. However, the failure of the Star Sanctum event to get launched and the stalled financing for the New York Wheel project were major disappointments. The year ended with the recovery of a portion of the loan to Star Sanctum and active negotiations to sell the investment in the Dallas wheel project back to its developers, which was finalized and announced in early 2019.

In January 2018 we made a US$300,000 investment in a Dallas wheel project through a convertible note. As this project progressed during 2018 and it became likely that Challenger was not going to invest more funds into this project, we entered into discussions with the original developers to sell our position back to them. In January 2019 we announced the change in the repayment terms of the note to 6 monthly payments of US$50,000 plus interest payable commencing 31 January 2019. To date we have received payments for January, February and March.

In April 2018 the owner of the Star Sanctum event announced that she was not proceeding with this event, which meant that our £100,000 loan to Star Sanctum was at risk. After several discussions and meetings with the Star Sanctum owner, we announced in July 2018 an agreement to recover the full amount of the principal over a 12-month period. In the third quarter of 2018, £35,000 was received, in the fourth quarter of 2018 another £25,000 was received, and to date in 2019 an additional £15,000 has been received.

Commencing the second quarter of 2018 we entered into active discussions with one of our three remaining convertible note holders to restructure the obligation. In August 2018 we organized the transfer of their £639,000 note to one of the two remaining convertible note holders for £95,000. This transaction allowed us to cancel £544,556 in notes and £115,000 in accrued interest.

2018 was a very difficult year for the New York Wheel project. In the first quarter there was an expectation that the project should be moving forward. In the second quarter the main contractor and the New York Wheel developers commenced significant legal action against each other. In the third quarter the New York Wheel developer announced that the "Wheel remains committed to pursuing this project". However, in October the New York Wheel developer announced that "there appears to be no viable options for financing the balance of the work required to complete the project". This announcement and the resulting lack of development has impaired our US$3 million equity investment in the New York Wheel project.

From January 2017 up to and including the end of January 2019, there were no new Starneth projects. Consequently, in March 2019 we agreed to transfer one previously pledged equity unit in the New York Wheel to the principal of Starneth in exchange for a complete release of all claims between the companies. This release allows us to remove a 1,250,000 EUR liability from the Challenger Balance Sheet in 2019.

In May and December 2018, I was able to increase my shareholdings in Challenger. I now hold 10,150,000 ordinary shares (3.8% of total shares outstanding).

At a corporate level, we added another non-executive director in March 2019. We welcome George Lucan and his expertise in helping us identify and secure an appropriate project for Challenger.

On behalf of the Challenger Board we would like to take this opportunity to thank our shareholders, note holders and all stakeholders for their patience and support during a very challenging year.

Mark Gustafson
Chief Executive Officer
26 April 2019

For more information visit www.challengeracquisitions.com or enquire to:

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Strategic and Operational Review

Challenger was formed in November 2014 to undertake one or more acquisitions in the entertainment and leisure sectors with a particular focus on the attractions sector.

The Company was admitted to the Official List by way of a Standard Listing and commenced trading on the London Stock Exchange's main market for listed securities on 19 February 2015. The US$3 million investment in the New York Wheel was announced on 26 May 2015. The lack of funding for completing this project by the New York Wheel developer was announced on 24 October 2018. The acquisition of the Starneth companies was closed on 15 July 2015 and the disposition of the Starneth companies was announced on 30 January 2017. Challenger announced the £100k loan to the London-based Star Sanctum on 7 November 2017 and an agreement to recover the Star Sanctum loan was announced on 31 July 2018. The US$300k investment in the Dallas-based wheel project was announced on 18 January 2018 and the restructuring of the repayment terms of the investment in this project was announced on 16 January 2019.

Challenger is actively searching for an appropriate acquisition candidate in order to create long-term value for its shareholders.

Mark Gustafson
Chief Executive Officer
26 April 2019

Financial Review

Overview

The Company incurred another loss in the year under review. The New York Wheel investment was impaired completely, following the news about the project being stopped and law cases being prepared. The financing the Company has given to the Dallas wheel project will be paid back by the project within the first half of 2019. Also, the Star Sanctum investment is being paid back. The Star Sanctum investment stayed completely impaired. These two cash flows are supporting the Company in 2019 with liquidity.

Loss for the year

During the year, Company had no income and recorded a loss of £2,008k (2017: £1,218k). The biggest cost driver in 2018 was the write off of the New York Wheel investment with £2,302k, followed by the interest for the convertible notes with £322k (2017: £498k). Together with the fair value movement of the investments of £98k (2017: (£219k)), the Company reports a total comprehensive loss of £2,008k (2017: £1,218k).

Balance Sheet

The total amount of assets on the balance sheet as per the balance sheet date is £277k (2017: £2,312k). The assets consist mainly of the investment in the Dallas project of £234k. In addition, the Company shows cash and cash equivalents of £29k (2017: £79k) and trade and other receivables of £14k (2017: £14k).

These assets have been financed by a mix of equity and convertible notes. The equity at the balance sheet date amounted to (£3,196k) (2017: (£1,438k)) and the liabilities to £3,473k (2017: £3,750k). The liabilities consist of £3,166k (2017: £680k) short term borrowing, £0k (2017: £2,669k) long term borrowing, trade and other payables of £307k (2017: £401k).

Cash flow

During the year there was one funding transaction which generated a cash inflow of £400k. In addition, there was a number of non-cash transactions namely:

On 6 March 2018, 31,159,458 new ordinary shares were issued on the conversion of £500k of the secured convertible note due 2 March 2018, £35k of the unsecured convertible note due 6 May 2018 and £75k of the unsecured convertible note due 8 June 2019. A further 7,667,228 new ordinary shares were issued to the holders of convertible notes as payment of interest due on the converted amounts.

On 30 August 2018, the Company announced a reduction in convertible notes due originally on 6 May 2015. The note holder transferred £95,000 to another existing note holder and forgave the remaining £545k in notes and approximately £115k in interest.

On 6 September 2018, 47,500,000 new ordinary shares were issued on the conversion of the remaining £95k in the convertible note originally due 6 May 2015. Another 93,700 new ordinary shares were issued as interest.

On 18 January 2018, the Company announced it had received another £400k (£380k net of fees) out of the previously announced convertible note facility due 8 June 2019.

Cash used in operations totalled £210k.

Closing cash

As at 31 December 2018, the Company held £29k (2017: £79k) in the bank account.

Markus Kameisis
Chief Financial Officer
26 April 2019

Consolidated Statement of Comprehensive Income

The consolidated statement of comprehensive income of the group is set out below.

	Note	Year ended 31 December 2018 £'000	Restated Year ended 31 December 2017 £'000
Administrative expenses		(157)	(472)
Impairment of New York Wheel	9	(2,302)	-
Forgiveness of a convertible loan note	10	672	-
Foreign exchange movement on investment	9	98	(219)

Operating loss		(1,690)	(691)
Finance costs	11	(318)	(527)
Loss before income taxes		(2,008)	(1,218)
Income tax expense	15	-	-
Loss after taxation		(2,008)	(1,218)
Loss for the year from continuing operations		(2,008)	(1,218)
Loss for the year from discontinued operations	24	-	(146)
Loss for year		(2,008)	(1,364)
Other comprehensive expense			
Disposal of disposal group	24	-	146
Total other comprehensive income		(2,008)	146
Total comprehensive loss attributable to owners of the parent		(2,008)	(1,218)
Loss per share:			
Basic from continuing operations	16	(0.01)	(0.01)
Diluted from continuing operations	16	(0.01)	(0.01)

Consolidated Statement of Financial Position

The consolidated statement of financial position of the group as at 31 December 2018 is set out below:

	Note	**As at 31 December 2018 £'000**	**Restated As at 31 December 2017 £'000**
Assets			
Current assets			
Cash and cash equivalents	7	29	79
Trade and other receivables	8	14	14
Short-term investments	9	234	-
Total current assets		**277**	**93**
Non-current assets			
Long-term Investments	9	-	2,219
Total non-current assets		**-**	**2,219**
Total assets		**277**	**2,312**
Equity and liabilities			
Capital and reserves			
Share capital account	6	8,324	7,579
Equity component of convertible instruments		106	601

	Note		
Retained earnings		(11,626)	(9,618)
Total equity attributable to equity holders		**(3,196)**	**(1,438)**
Current liabilities			
Borrowings	10	3,166	680
Trade and other payables	12	307	401
Total current liabilities		**3,473**	**1,081**
Non-current liabilities			
Borrowings	10	-	2,669
Total non-current liabilities		**-**	**2,669**
Total equity and liabilities		**277**	**2,312**

The financial statements were approved by the board of Directors and authorised for issue on 26 April 2019 and are signed on its behalf by:

Director – Mark Gustafson

Consolidated Statement of Changes in Equity

The statement of changes in equity of the group is set out below:

	Share Capital account	Shares to be issued	Trans-lation reserve	Equity component of convertible instruments	Available for sale reserve	Retained earnings	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
As at 1 January 2017	**4,583**	**775**	**(146)**	**1,064**	**462**	**(9,488)**	**(2,750)**
Effect of adoption of new accounting standards	-	-	-	-	(462)	462	-
As at 1 January 2017 as restated	4,583	775	(146)	1,064	-	(9,026)	(2,750)
Loss for the year	-	-	-	-	-	(1,364)	(1,364)
Other comprehensive loss	-	-	146	-	-	-	146
Total comprehensive loss for the year	**-**	**-**	**146**	**-**	**-**	**(1,364)**	**(1,218)**
Transaction with owners							
Issue of shares	2,996	-	-	-	-	-	2,996
Cancellation of unissued shares	-	(775)	-	-	-	775	-
Equity component convertible notes	-	-	-	30	-	-	30
Release on settlement							

of convertible loans	-	-	-	(493)	-	-	(493)
Forfeited options	-	-	-	-	-	(3)	(3)
Total	**2,996**	**(775)**	**-**	**(463)**	**-**	**772**	**2,530**
As at 31 December 2017	**7,579**	**-**	**-**	**601**	**-**	**(9,618)**	**(1,438)**

	Share Capital account	Equity component of convertible instruments	Available for sale reserve	Retained earnings	Total
	£'000	£'000	£'000	£'000	£'000
As at 31 December 2017	**7,579**	**601**	**-**	**(9,618)**	**(1,438)**
Loss for the year	-	-	-	(2,008)	(2,008)
Total comprehensive loss for the year	**-**	**-**	**-**	**(2,008)**	**(2,008)**
Transaction with owners					
Issue of shares	745	-	-	-	745
Equity component convertible notes: Release on settlement of convertible loans	-	(495)	-	-	(495)
Total	**745**	**(495)**	**-**	**-**	**250**
As at 31 December 2018	**8,324**	**106**	**-**	**(11,626)**	**(3,196)**

Share capital comprises the Ordinary Shares issued by the Company.

Retained earnings represent the aggregate retained losses of the Company since incorporation.

Equity component of convertible instruments represents the equity element of instruments with a convertible element.

Consolidated Statement of Cash Flows

The cash flow statement of the group is set out below:

	Year ended 31 December 2018	Restated Year ended 31 December 2017
	£'000	**£'000**
Cash flow from operating activities		
Loss for the period before taxation	(2,008)	(1,218)
Fair value adjustments	2,303	112

Non-cash profit convertible deal	(672)	-
Share option charge	-	(3)
Net unrealised FX effect	(134)	(260)
Interest	322	498
Operating cash flows before movements in working capital	**(189)**	**(351)**
Increase in receivables	-	(109)
Decrease in accounts payable and accrued liabilities	(21)	(132)
Net cash used in operating activities	**(210)**	**(592)**
Investment	(220)	-
Outflow on disposal of Starneth	-	(202)
Net cash outflow from investing activities	**(220)**	**(202)**
Issue of convertible instruments net of issue costs	380	600
Net cash inflow from financing activities	**380**	**600**
Net decrease in cash and cash equivalents	**(50)**	**(194)**
Cash and cash equivalent at beginning of period	79	273
Cash and cash equivalent at end of period	**29**	**79**

Notes to the consolidated financial statements

1. GENERAL INFORMATION

The Company was incorporated under section II of the Companies (Guernsey) Law 2008 on 24 November 2014, it is limited by shares and has registration number 59383.

The Company has an investment of US$3m in New York Wheel Investor LLC, a company that was set up to fund the equity component for the project to build a New York Wheel which includes an approximate 630-foot-high observation wheel with 36 capsules, a 68,000 square foot terminal and retail building, and a 950-space parking garage. This investment was fully impaired as a result of termination of the project and starting litigation in connection with it. The Company entered into a new investment into the Dallas Wheel project. The investment will be paid back during 2019.

The Company's registered office is located at PO Box 186, Royal Chambers, St Julian's Avenue, St. Peter Port, Guernsey GY1 4HP, Channel Islands.

The company has not prepared individual financial statements in accordance with section 244 of the Companies (Guernsey) Law 2008.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The consolidated financial statements of Challenger Acquisitions Limited for the year ended 31 December 2018 have been prepared in accordance with International Financial Reporting Standards as adopted by the EU (IFRS's as adopted by the EU), issued by the International Accounting Standards Board (IASB), including interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) applicable to the companies reporting under IFRS. The consolidated financial statements have been prepared under the historical cost convention, as modified by the available-for-sale financial assets.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 3.

The financial information has been presented in British Pound (£), being the functional currency of the Company.

Going concern

At 31 December 2018 the group had net current liabilities of £3,196k. The financial statements have been prepared on the assumption that the Company will continue as a going concern. Under the going concern assumption, an entity is ordinarily viewed as continuing in business for the foreseeable future with neither the intention nor the necessity of liquidation, ceasing trading or seeking protection from creditors pursuant to laws or regulations. In assessing whether the going concern assumption is appropriate, the Directors take into account all available information for the foreseeable future, in particular for the twelve months from the date of approval of the financial information.

Based on the continued implementation of costs control measures, the significant reduction in convertible note debt through reorganization/settlement, the elimination of the contingent obligation to the owners of the former Starneth business, the continued support from the primary convertible note holder, and the ongoing receipt of funds from the loans to Star Sanctum and the Dallas wheel project, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future although future funding may be required in the period. The primary note holder is supportive of the Company and there are no material external creditors. In order to support a new acquisition, the fundraising options may include a substantial equity offering or a new financing facility. The fundraising options are early stage and there is a material uncertainty as to whether additional funding will be received and therefore regarding the going concern basis of preparation. The financial statements do not include any adjustments that would be required if the going concern basis was not appropriate.

The Directors' objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. At the date of this financial information, the Company had been financed from equity and convertible notes. In the future, the capital structure of the Company is expected to consist of convertible notes and equity attributable to equity holders of the Company, comprising issued share capital and reserves.

Standards and interpretations issued but not yet applied

A number of new standards and amendments to standards and interpretations have been issued but are not yet effective and, in some cases, have not yet been adopted by the EU.

The directors do not expect that any of these standards and interpretations will have a material impact on the financial statements of the company.

Principles of consolidation and equity accounting

Subsidiaries

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has the right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group applies the acquisition method to account for business combinations.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Segment Reporting

For the purpose of IFRS 8, the Chief Operating Decision Maker "CODM" takes the form of the board of directors. The Directors are of the opinion that after the sale of the Starneth entities the business of the Company comprised a single activity, being the identification and acquisition of target companies or businesses in the entertainment sector.

Foreign Currency Translation

Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in British Pounds (GBP), which is Challenger Acquisitions functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. Foreign exchange gains and losses are presented in the statement of profit or loss, within finance income or finance costs.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as available-for-sale financial assets are recognised in other comprehensive income.

Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and;
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the group's activities as described below. The group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Business Combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the;

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and;
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the;

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and;
- acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Investments and other financial assets

<u>Classification</u>

The group classifies its financial assets in the following categories:

- financial assets at fair value through profit or loss,
- loans and receivables,
- held-to-maturity investments, and;
- available-for-sale financial assets.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at the end of each reporting period.

<u>Recognition and derecognition</u>

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

The Group's investments in corporate debt securities which are held within a business model whose objective is achieved both by collecting contractual cash flows and by selling securities are classified as held at fair value through profit or loss (FVTPL).

Investments in equity securities have been classified as measured at FVTPL.

Interest income from financial assets at fair value through profit or loss is included in the net gains/(losses). Interest on available-for-sale securities, held-to-maturity investments and loans and receivables calculated using the effective interest method is recognised in the statement of profit or loss as part of revenue from continuing operations.

Impairment of financial assets

Financial assets are assessed for indicators of decline in fair value at the end of the reporting period. The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

Assets carried at amortized cost

For loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

Assets classified as available-for-sale

If there is objective evidence of impairment for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity and recognised in profit or loss.

Impairment losses on equity instruments that were recognised in profit or loss are not reversed through profit or loss in a subsequent period.

If the fair value of a debt instrument classified as available-for-sale increases in a subsequent period and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through profit or loss.

Income recognition

Service income

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for services, stated net of discounts, returns and value added taxes. The Group recognises revenue when the amount of revenue can be reliably measured and when it is probable that future economic benefits will flow to the entity.

Interest income

The Group has no impact due to the adoption of IFRS 15 which came into effect on 1 January 2018 as it neither generated any revenue during the year nor prior year.

Interest income is recognised using the effective interest method. When a receivable is impaired, the group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

Dividends

The Directors do not propose a dividend in respect of the year ended 31 December 2018.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

The depreciation methods and periods used by the group are:

- Vehicles - 3-5 years
- Furniture, fittings and equipment - 3-8 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

Intangible assets

<u>Goodwill</u>

Goodwill is measured as described under "Business Combinations" in this document. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

The fair value of the liability portion of a convertible bond is determined using a market interest rate for an equivalent non-convertible bond. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the bonds. The remainder of the proceeds is allocated to the conversion option. This is recognised and included in shareholders' equity, net of income tax effects.

Employee benefits

Short term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Share based payments

Employee options

The fair value of options granted is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (eg the entity's share price)
- excluding the impact of any service and non-market performance vesting conditions (eg profitability, sales growth targets and remaining an employee of the entity over a specified time period), and;
- including the impact of any non-vesting conditions (eg the requirement for employees to save or holdings shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Social security contributions payable in connection with an option grant are considered an integral part of the grant itself and the charges are treated as cash-settled transactions.

The options are administered by Challenger Acquisitions Limited. When the options are exercised, Challenger Acquisitions Limited transfers the appropriate amount of shares to the employee. The proceeds received net of any directly attributable transaction costs are credited directly to equity.

Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity under share premium as a deduction, net of tax, from the proceeds.

Earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and;
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

3. **CRITICAL ESTIMATES, JUDGEMENTS AND ERRORS**

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. Detailed information about each of these estimates and judgements is included together with information about the basis of calculation for each affected line item in the financial statements. In addition, this note also explains where there have been actual adjustments this year as a result of an error and of changes to previous estimates.

Significant estimates and judgements

The areas involving significant estimates or judgements are:

- Going concern
  See accounting policies (note 2) for details of the assessment made.
- Fair value of the available for sale financial asset

The equity units in New York Wheel Investor LLC are not quoted, in assessing the fair value of the asset in the prior year, the Directors have applied a DCF model based on the projections received from the New York Wheel. The calculated amount, including anticipated delays, supported the USD 3 million shown on the balance sheet as at 31 December 2017. Based on the developments of the New York Wheel, mainly in regards to the full stop of the construction works and the communication in regard to the failure to secure additional funds, the Directors do not believe that the project will be completed. Hence the directors took the decision to fully impair the asset.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

4. FINANCIAL RISK MANAGEMENT

This note explains the group's exposure to financial risks and how these risks could affect the group's future financial performance. Current year profit and loss information has been included where relevant to add further context.

Risk	Exposure arising from	Measurement	Management
Market risk – foreign exchange	Future commercial cash flows not denominated in GBP Recognised financial assets and liabilities not denominated in GBP	Cash flow forecasting Sensitivity analysis	No hedging No hedging
Credit risk	Cash and cash equivalents, trade receivables, other receivables	Aging analysis Credit ratings	Diversification of bank deposits. Follow-ups to loan investment

Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

Foreign exchange risk

The Company is especially focused on the currency pairs USD/GBP and EUR/GBP. The Company's biggest investment is denominated in USD. An outstanding liability from the Starneth acquisition is in EUR.

The group's exposure to foreign currency risk at the end of the reporting period, expressed in £'000 was as follows:

Currency	Assets in CCY	Assets in GBP	10% change	Liabilities in CCY	Liabilities in GBP	10% change
USD	328	257	(26)	-	-	-
EUR	1	1	-	1,404	1,256	126
CHF	1	-	-	1	1	-

The group's exposure to foreign currency risk at the end of the prior period, expressed in £'000 was as follows:

Currency	Assets in CCY	Assets in GBP	10% change	Liabilities in CCY	Liabilities in GBP	10% change
USD	3,003	2,222	(222)	8	6	1
EUR	1	1	-	1,341	1,190	119
CHF	1	1	-	1	1	-

During the year, £ 10k foreign-exchange related losses were recognised in profit or loss.
As described above the group is primarily exposed to changes in USD/GBP and EUR/GBP exchange rates. The sensitivity of profit or loss to changes in the exchange rates as summarized in the above table arises mainly from the group's EUR denominated liabilities.

Interest rate risk

The group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in IFRS 7, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables. To limit the risk the group's main cash resources are held with banks with a minimum external rating of A.

5. BUSINESS SEGMENTS

For the purpose of IFRS8, the Chief Operating Decision Maker "CODM" takes the form of the board of Directors. The Directors are of the opinion that after the sale of the Starneth entities the business of the Company comprised a single activity, being the identification and acquisition of target companies or businesses in the entertainment sector.

6. SHARE CAPITAL

Issued and fully paid	Number of shares	Share capital account £'000
At 31 December 2017	182,103,088	7,579
Issue of shares	86,898,484	745
At 31 December 2018	269,001,572	8,324

During the year the company issued 78,659,458 shares to settle convertible loans worth £705,444 and 8,239,026 shares to settle interest accruing on the convertible loans of £40,273. The share capital account represents the number of shares in the issue at the fair value of the consideration received net of any discounts and share issue expenses.

7. CASH AND CASH EQUIVALENTS

	2018 £'000	2017 £'000
Cash at bank and in hand	29	79
Total cash and cash equivalents	29	79

8. TRADE AND OTHER RECEIVABLES

	2018 £'000	2017 £'000
Prepayments	14	14
Total trade and other receivables	14	14

The Company provided a £100k loan to a KTEG Limited in relation to Star Sanctum event set to launch and operate film-focused conventions. As the probability to receive back the full amount of the loan decreased significantly, the whole amount including accrued interest has been impaired last year. In the period under review, the Company has received a total of £60k as repayment of this loan. This is reflected in the extraordinary result. The remaining £40k stays impaired as at the year end.

9. INVESTMENTS

	Long-term Investments £'000	Short-term Investments £'000
Fair value		

At 31 December 2016	2,438	-
Additions	-	-
Foreign exchange movement	(219)	-
At 31 December 2017	2,219	-
Foreign exchange movement in New York Wheel	83	-
Investment in Dallas Wheel project	-	220
Foreign exchange movement in Dallas Wheel	-	14
Impairment of New York Wheel	(2,302)	-
At 31 December 2018	-	234

10. BORROWINGS

	2018	2017
Current	£'000	£'000
Convertible notes	1,910	680
Deferred cash consideration	1,256	-
	3,166	680
Non-current		
Deferred cash consideration	-	1,190
Convertible notes	-	1,478
	-	2,668

	Note 1 £'000	Note 2 £'000	Note 3 £'000	Note 4 £'000	Total £'000
Balance at 31 December 2017 (liability)	675	-	974	509	2,158
Balance at 31 December 2017 (equity)	-	500	106	-	606
Finance charge	-	4	104	95	203
Forgiveness / repurchase	(580)	-	-	-	(580)
Issued for cash	-	-	-	380	380
Transaction Cost				20	20
Issued in lieu of interest	-	-	81	-	81
Converted into shares	(95)	(500)	-	(75)	(670)
Interest paid in shares	-	(29)	-	(3)	(32)
Interest paid in cash	-	-	-	-	-
(Increase)/decrease in accrued interest	-	25	(70)	(105)	(150)
Balance at 31 December 2018 (liability)	-	-	1,089	821	1,910
Balance at 31 December 2018 (equity)	-	-	106	-	106

Note 1

The notes are unlisted, unsecured, transferable and convertible with a twelve-month maturity date which was extended during the year to 6 May 2018. Interest was accrued at 12% per annum and payable quarterly, or upon conversion, in cash or in Ordinary Shares at the Company's discretion. The notes can be converted into Ordinary Shares at a price per Ordinary Share equal to the lower of

£0.50 and 7.5% discount to the prevailing market price, defined as the average of the lowest three volume weighted average prices as quoted by Bloomberg for the period of 10 trading days prior to the conversion date. The convertible note has been recognised as a liability in accordance with IFRS 9 Financial Instruments as the instrument provides an obligation to the company to either settle the liability via a cash payment or via the issue of a variable number of shares. The conversion feature represents an embedded derivative; however, this has not been separately recognised as the conversion feature is considered to be closely related to the host contract. As a result of signing a settlement agreement with the note holder, the outstanding note 1 loan amount was waived off to the income statement as at 31 December 2018.

Note 2

On 2 March 2016 the Company issued convertible notes worth £0.5 million. The notes are unlisted, secured, transferable and convertible. Maturity date was 2 March 2018. The Company can redeem the notes in cash or shares at $0.25 at Maturity at the Company's discretion. The Secured Convertible Notes are secured by one common unit of New York Wheel Investor LLC, representing a total value of US$1 million. Interest was accrued at 5% per annum and payable quarterly or at Maturity at the Company's discretion. The interest can be paid in cash or shares, at the average of the 10-day closing price prior to the end of each calendar quarter, at the Company's discretion. The Company can redeem the notes at a 25% premium anytime in cash. The Company repaid the accrued interest and the principal in shares, on this basis the full £0.5 million net of the £0.025 million transaction fees has been recognised in equity.

Note 3

On 29 January 2016, the Company issued further £1 million of secured convertible notes. The notes are unlisted, secured, transferable and convertible. Maturity date is 30 June 2019. The Secured Convertible Notes are secured by one common unit of New York Wheel Investor LLC, representing a total value US$1 million. Interest is accrued at 8% per annum and payable quarterly. One eighth of the interest can be settled in cash or shares at the Company's discretion. Seven eighths of the interest is settled in new convertible notes with the same terms. The notes are convertible in cash or shares at the option of the holder and can be converted into Ordinary Shares at a fixed conversion price of £0.80 per Ordinary Share. The Company can redeem the notes at a 10% premium anytime. As per the nature of this convertible instrument, £106k has been recognised as an equity component in of convertible instruments in consolidated statement of changes of equity, using a discount rate of 12%.

Note 4

The last tranche of £ 400,000 of the £1 million funding facility announced by the Company on 13 June 2017, has been drawn on 18 January 2018 and subsequently the Company has issued convertible note for £400,000. The notes are unlisted, unsecured, transferable and convertible. Maturity date is 8 June 2019. No conversions can happen in the first 120 days. The maximum amount that can be converted in any 30-day period is 20% of the principle amount. The conversion price is the lowest volume weighted average price over 10 days prior to the conversion. Interest rate is 8% per annum and payable upon conversion at the Company's option in cash or ordinary shares at the conversion price. The Company can redeem in cash all or any part of the outstanding convertible note with a 25% premium to the principal amount.

11. FINANCE INCOME AND COSTS

	2018 £'000	2017 £'000
Interest Income	(21)	(12)
Bank charges	7	9
Interest on convertible loan notes	203	447
Interest on deferred consideration and other interest payables	119	51
Net foreign exchange costs	10	32
Finance costs	318	527

12. TRADE AND OTHER PAYABLES

	2018 £'000	2017 £'000
Trade payables	149	220
Accrued expenses	158	181
Total trade and other payables	307	401

13. EMPLOYEE BENEFIT EXPENSE

	2018 £'000	2017 £'000
Wages and salaries	30	69
Share options granted to directors, employees and key advisers	-	(3)
	30	66

14. DIRECTORS' EMOLUMENTS

The Directors were paid emoluments of £30k as directors' fees during the period under review (£69k in 2017). In the previous year, there was a release of an existing bonus accrual that has been included in administrative expenses. Of the £30k, £10k were the director's fees for Mark Gustafson. Mr. Gustafson billed an additional £12k (2017: £19k) as management fees, booked under administrative expenses. At 31 December 2018 a total amount of £ 84k (2017: £87k) was unpaid and due to Mr. Gustafson for management services and director fees. The total compensation for Mr. Gustafson in the year under review was £22k.

These details and the details for the other Directors can be found within the Director's remuneration report on page 20.

The Directors were the key management personnel of the Group.

15. TAXATION

Challenger Acquisitions Limited is a Guernsey Corporation subject to a corporate tax rate of nil, as at 31 December 2018.

Income tax

	2018 £'000	2017 £'000
Current tax expense:		
- Current tax on profits for the year	-	-
- Adjustments in respect to prior years	-	-
- Foreign current tax on profits for the year	-	-
Total current tax	-	-
Deferred tax:		
- Origination and reversal of temporary differences	-	-
- Adjustments in respect to prior years	-	-
Total deferred tax	-	-
Income tax expense	-	-

A reconciliation of income tax expense, from continuing operations, applicable to the loss before taxation at the statutory tax rate to the income tax expense at the effective tax rate of the Group is as follows:

	31 Dec 2018 £'000	31 Dec 2017 £'000
Loss before taxation from continuing operations	(2,008)	(1,218)
Tax calculated at domestic tax rates applicable to losses in respective countries:	-	-
Tax effects of:		
Tax losses carried forward	-	-
	-	-

The corporation tax rate in Guernsey is 0%, there are no unrecognised tax losses.

16. LOSS PER SHARE

The calculation for loss per share (basic and diluted) for the relevant period is based on the loss after income tax attributable to equity holder for the period ending 31 December 2018 and is as follows:

31 December 2018

Loss from continued operations attributable to equity holders (£)	(2,008,000)
Weighted average number of shares	229,604,791

Loss per share basic (£)	(0.01)
Weighted average number of shares for dilutive calculation	229,604,791
Loss per share diluted (£)	(0.01)

31 December 2017

Loss from continued operations attributable to equity holders (£)	(1,218,000)
Weighted average number of shares	93,005,288
Loss per share basic (£)	(0.01)
Weighted average number of shares for dilutive calculation	93,005,288
Loss per share diluted (£)	(0.01)

Basic loss per share is calculated by dividing the loss after tax attributable to the equity holders of the group by the weighted average number of shares in issue during the year.

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all potential dilutive ordinary shares namely the conversion of the convertible loan note in issue. The effect of these potential dilutive shares would be anti-dilutive and therefore are not included in the above calculation of diluted earnings per share.

17. RELATED PARTY TRANSACTIONS

There were no related party transactions except for the transactions disclosed in Note 14 to the accounts.

18. COMMITMENTS

The Company had not entered into any material capital commitments as at 31 December 2018.

19. SHARE BASED PAYMENTS

On 29 July 2015, options to acquire 615,000 Ordinary Shares ("Options 2015") were granted to employees and consultants of the Group. On 8 September 2015, options to acquire 730,000 Ordinary Shares ("Options 2015") were granted to the directors of the company. These Options 2015 have a fixed exercise price of 40 pence, and are exercisable in the following tranches; 25% as from the date of grant and 25% every twelve months thereafter (and are therefore fully vested after three years). They cannot be exercised after the 5th anniversary of the grant. The group has no legal or constructive obligation to repurchase or settle the options in cash.

On 7 January 2016, options to acquire 160,000 Ordinary Shares ("Options 2016") were granted to consultants of the Group. These options have a fixed exercise price of 45 pence, and are exercisable in the following tranches:

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows: 25% as from the date of grant and 25% every twelve months thereafter (and are therefore fully vested after three years). They cannot be exercised after the 5th anniversary of the grant. The group has no legal or constructive obligation to repurchase or settle the options in cash.

	2018		2017	
	Average exercise price in £ per share option	Options (thousands)	Average exercise price in £ per share option	Options (thousands)
Beginning of period	0.41	1,093	0.41	1,516
Granted	0.00	-	0.00	-
Forfeited	0.00	-	0.41	(423)
Exercised	0.00	-	0.00	-
Expired	0.00	-	0.00	-
End of period	0.41	1,093	0.41	1,093

Out of the outstanding 1,092,500 (2017: 1,092,500) share options 932,500 (2017: 855,000) were exercisable. No options were exercised in 2017 and 2018.

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant-vest	**Expiry date**	**Exercise price in £**	**Share options (thousands)**
			2018
2015-01	2020-07	0.40	303
2015-02	2020-09	0.40	630
2016-01	2021-01	0.45	160
			1,093

The weighted average fair value of the Options 2015 determined using the Black-Scholes valuation model was 1.4 pence per option. The significant inputs to the model were share price of 38 pence at the grant date, exercise price of £0.40, volatility of 14%, dividend yield of 0% an expected option life (to expiry) of 5 years with 25% vesting each year and an annual risk-free interest rate of 0.5%. The volatility measured at the standard deviation of continuously compounded share returns is based on the statistical analysis of daily share prices from listing of the Company until the grant date.

The weighted average fair value of the Options 2016 determined using the Black-Scholes valuation model was 2.49 pence per option. The significant inputs to the model were share price of 37.5 pence at the grant date, exercise price of £0.45, volatility of 14%, dividend yield of 0% an expected option life (to expiry) of 5 years with 25% vesting each year and an annual risk-free interest rate of 0.5%. The volatility measured at the standard deviation of continuously compounded share returns is based on the statistical analysis of daily share prices from listing of the company until the grant date.

As a result of the 422,500 options that forfeited in 2017, the profit and loss had been credited with £3k and the share option reserve has been decreased accordingly. No movements in the period.

20. SUBSEQUENT EVENTS

In March 2019 the company agreed to transfer one previously pledged equity unit in the New York Wheel to the principal of Starneth in exchange for a complete release of all claims between the companies. This release allows the company to remove a 1,250,000-euro liability from the Challenger Balance Sheet in 2019.

The company received an installment payment of £15,000 in March 2019 from KETG Limited which was in relation to the Star Sanctum Loan.

21. FINANCIAL INSTRUMENTS

The only financial instrument the Group held, in addition to those disclosed elsewhere in these notes, as at 31 December 2018 was Cash and cash equivalents.

22. ULTIMATE CONTROLLING PARTY

As at 31 December 2018, no one entity owns greater than 50% of the issued share capital. Therefore, the Company does not have an ultimate controlling party.

23. CONTINGENCIES

Due to the Group's activities, matters arise that could give rise to a contingent liability. No further details are given as it could be seriously prejudicial to the position of the Group.

24. ASSETS OF DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS

At 31 December 2016 the assets and liabilities relating to the Starneth Holdings BV and Starneth Europe BV were presented as held for sale following the approval of the group's management to proceed with the disposal of these companies. During the year to 31 December 2017 and on 6 January 2017 the sale completed.

The result of discontinued operations recognized in the year to 31 December 2017 related to the release of the translation reserve of £146,000.