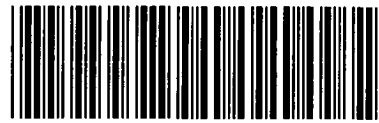


REGISTERED NUMBER: 01227519 (England and Wales)

MediaZest International Ltd  
Report and Financial Statements  
For the Year Ended 30 September 2021

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## MediaZest International Ltd

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## MediaZest International Ltd

### Company Information for the Year Ended 30 September 2021

<b>DIRECTORS:</b>	James Ofield Geoffrey Stuart Robertson
<b>REGISTERED OFFICE:</b>	Unit 9 Woking Business Park Albert Drive Woking Surrey GU21 5JY
<b>REGISTERED NUMBER:</b>	01227519 (England and Wales)
<b>AUDITORS:</b>	Nexia Smith & Williamson Chartered Accountants & Statutory Auditor 4th Floor Cumberland House 15-17 Cumberland Place Southampton SO15 2BG
<b>SOLICITORS:</b>	CMS Cameron McKenna Nabarro Olswang LLP Cannon Place 78 Cannon Street London EC4N 6AF
<b>PRINCIPAL BANKERS:</b>	Natwest 39 The Borough Farnham Surrey GU9 7NP

## MediaZest International Ltd

### Strategic Report for the Year Ended 30 September 2021

The directors present the strategic report for the year ended 30 September 2021. Comparatives are provided for the eighteen month period ended 30 September 2020.

#### **PRINCIPAL ACTIVITIES**

The Company's principal activity continues to be the sale, rental, installation and servicing of professional audio-visual equipment.

#### **KEY PERFORMANCE INDICATORS**

The Board considers Key Performance Indicators ("KPIs") to be financial performance (as measured by these elements: turnover, cost of sales, EBITDA, finance costs, administrative expenses and profit after tax), cash in hand and banking facilities. These KPIs are regularly monitored on an ongoing basis. There are no non-financial KPIs actively monitored by management currently.

Turnover for the period was £2,246,000 (18 months to 30 September 2020: £3,068,000), cost of sales was £1,171,000 (18 months to 30 September 2020: £1,544,000) leading to an EBITDA profit of £330,000 (18 months to 30 September 2020: £263,000). The Company made a profit for the year, after taxation, of £206,000 (18 months to 30 September 2020: £92,000) after finance costs of £50,000 (18 months to 30 September 2020: £77,000), depreciation and amortisation of £74,000 (18 months to 30 September 2020: £124,000) and having incurred administrative expenses of £745,000 (18 months to 30 September 2020: £1,286,000).

The Company had cash in hand of £120,000 (2020: £91,000) at the year end and an invoice discounting facility over the debtors of MediaZest International Ltd of which £192,000 (2020: £245,000) was in use at 30 September 2021. As at 30 September 2021, the Company had a limit of £500,000 (2020: £500,000) under the existing invoice discounting facility.

The balance of the £50,000 loan taken by the Company from one of its bankers under the Government Bounce Back Loan Scheme, was £47,000 after paying monthly instalments totalling £3,000.

These KPIs are analysed in detail in the Review of Business.

#### **PRINCIPAL RISKS**

Principal non-financial risks the directors are monitoring include:

Global Economy - the Company faces a risk of reduced levels of business as a result of the economic environment, including the impact on the UK and wider economy of Brexit, the war in Ukraine and escalating cost of living increases. Management constantly monitor sales levels, pipeline and margin profitability and continue work to make the administrative cost base more flexible in order to minimise risk as a result of the economic climate. However, whilst there continues to be high levels of uncertainty in both the private and public sectors in which the Company operates, this consequential risk will remain.

Technology obsolescence and supplier reliance - as a leading provider of audio-visual technology, the Company faces risks if it does not gain access to the latest commercial products in its field of operation. As such, a sufficient proportion of management time is dedicated to keeping abreast of latest developments and gaining access to new technology. The Company is a "best practice" supplier with direct relationships with all the major audio-visual manufacturers and hence the Directors do not consider there to be an undue risk associated with a lack of supply from any one particular manufacturer.

## MediaZest International Ltd

### Strategic Report for the Year Ended 30 September 2021

Supply Chain challenges - during 2020 and 2021 there have been increased lead times and supply chain issues for a number of different products which the Company supplies as part of its client work. This is as a result of various factors including a shortage of materials for production and increased costs of, and shortage of supply of, transportation and delays associated with new Brexit arrangements. The Company works closely with clients, manufacturers and their distributors to carefully manage this risk.

Covid-19 Pandemic – the Company faces risk of reduced levels of business, disruption to supply chain plus impact on its employees due to the ongoing impact of the Pandemic. The extent of this impact in the future remains uncertain. Business levels are constantly monitored and cashflow forecast by management following regular discussion with customers to ascertain likely impact on their projects. This allows management to adjust the Company's cost base where possible and as necessary to manage working capital during the timeframe when the impact of the Pandemic continues to be felt. Management continually reviews working practices in line with the latest Government advice to minimise risks to employees and also maintain regular discourse with the supply chain to anticipate and work around any potential disruption.

#### **REVIEW OF THE BUSINESS**

The Company performed well in the 12 months ended 30 September 2021, particularly in light of the ongoing Covid-19 Pandemic, the impact of Brexit and shortage or delays to hardware supplies during the period.

Profit after tax grew to £206,000 (18 months to 30 September 2020: £92,000) with good performance in all the key sectors in which the Company operates: Retail, Automotive and Corporate Offices.

The client base has remained consistent during the year, and although during lockdown project revenues decreased in the first six months, they were generally only delayed. Many of those projects were successfully delivered in the second half of the year, despite some supply chain challenges.

The performance of the Company's recurring revenue streams, which have remained high, has been particularly pleasing. Despite some obvious reductions associated with closed or temporarily closed stores, overall recurring revenues have grown during the year and post year end. The Company has worked closely with clients to successfully sign several longer-term deals giving surety of revenues over a longer period (typically three years).

#### **MARKETS SERVED**

The Company continues to work mostly in these three sectors:

*Retail - Digital transformation continues as retailers deploy digital signage displays including window displays, self-service kiosks and large scale displays such as LED and videowalls.*

*Automotive - As this sector evolves rapidly the role of technology in the showroom journey increases. As a result many of the audio-visual solutions deployed in general Retail are being seen in these markets.*

*Corporate Offices - typical projects in this sector include hybrid meeting rooms, video conferencing technology and innovation centres - all of which are undergoing radical transformation that in many cases has been accelerated by the additional demands that the Pandemic has put upon office building technology.*

As expected demand in all three continues to grow and enquiries are increasing in each of them as audio-visual technology plays a greater role in day to day operations.

## MediaZest International Ltd

### Strategic Report for the Year Ended 30 September 2021

#### **PROJECT HIGHLIGHTS**

Key new client projects in the period included deployment of interactive touchscreens for Hyundai to aid customer understanding of their Electric Vehicle offerings; a tranche of additional Pets at Home stores across the UK and new client Vashi, for whom the Company delivered audio-visual solutions at their Covent Garden flagship store. The latter featured what at the time included the largest European Retail deployment of Samsung's "The Wall" Business MicroLED product as part of a double height, floor to ceiling interactive installation which received notable comment across the globe.

Long standing retail clients such as Lululemon Athletica continued to roll out digital signage in European stores and the Company was pleased to work with Ted Baker on the deployment of a high brightness window screen network in their stores. As the benefits of digital 'posters' in window become ever clearer, especially with the ability to adjust safety messaging as the Pandemic developed, demand for this type of installation has increased. The Company has worked for several years developing skills to measure return on investment of such installations as a differentiator in the market when it comes to recommending and evaluating solutions for clients as part of the consultative sales process.

Once again, the Company was delighted to work with Rockar, this time on their new Jaguar Land Rover store in London's Canary Wharf.

Away from the world of Retail and Automotive Retail, management focussed on Corporate Offices with new projects for a division of AXA, and notably for logistics company Wincanton, for whom it helped deliver a state-of-the-art Innovation Centre to celebrate their ongoing commitment to developing technology in their business.

The Board believes the role of the office environment will change significantly in the coming years. Audio-visual technology will have an increasing role to play whether to manage 'hot desking', book meeting rooms, provide high quality audio and video for hybrid meetings or bring the 'wow factor' to innovation spaces. As such a new role was created to lead efforts in this market.

The Company is also developing an interesting new area of expertise, assisting digital artists with procurement of technology as NFTs (Non-fungible tokens using Blockchain technology) develop rapidly across the world.

#### **OUTLOOK FROM OCTOBER 2021 INTO 2022**

At this time, it still remains difficult to fully assess the extent to which the Pandemic will affect the Company's forthcoming trading and financial performance as the situation continues to evolve.

However, business has markedly improved since the first quarter of 2021. The Omicron Covid-19 variant does not appear to have significantly changed that and performance during the first quarter of the new financial year (October 2021 to December 2021) has been encouraging, with November 2021 a particularly good month for profitability.

Ongoing long term project roll outs with customers including Hyundai, Pets at Home, Lululemon and HMV have continued into 2022 with further installations planned or underway.

The Company continues to add new recurring revenue contracts and seek to extend larger contracts in multi-year deals which has successfully improved revenues under contract during the previous financial year. The goal remains to cover a more significant element of the ongoing cost base with these revenues as the business continues to grow.

With the hard-won gains of recent years, even in the face of the Pandemic and associated lockdowns, the Board remains positive about the Company's future growth potential and ability to continue to generate significant profits.

**MediaZest International Ltd**

**Strategic Report**  
**for the Year Ended 30 September 2021**

**BOARD APPOINTMENTS AND RESIGNATIONS**

There were no changes during the period.

**ON BEHALF OF THE BOARD:**

*G Robertson*

G Robertson (Jun 20, 2022 15:31 GMT+1)

Geoffrey Robertson - Director

Date: 20/06/2022

## **MediaZest International Ltd**

### **Directors' Report** **for the Year Ended 30 September 2021**

The directors present their report and the accounts for the year ended 30 September 2021 and the comparative 18 months ended 30 September 2020.

#### **DIVIDENDS**

No dividends will be distributed for the year ended 30 September 2021.

#### **DIRECTORS**

The directors shown below have held office during the whole of the period from 1 October 2020 to the date of this report.

James Ofield  
Geoffrey Stuart Robertson

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

Company law requires the directors to prepare financial statements for each financial period.

Under that law the directors have elected to prepare the financial statements in accordance with applicable law and International Accounting Standards in conformity with the requirements of the Companies Act 2006.

Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business;
- make judgements and accounting estimates that are reasonable and prudent;
- state that the financial statements comply with International Accounting Standards in conformity with the requirements of the Companies Act 2006 and applicable UK accounting standards

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

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



## MediaZest International Ltd

### Directors' Report for the Year Ended 30 September 2021

#### **AUDITORS**

Nexia Smith & Williamson, have expressed their willingness to continue in office as auditor and a resolution to re-appoint them will be proposed at the next Annual General Meeting.

#### **ON BEHALF OF THE BOARD:**

G Robertson

G Robertson (Jun 20, 2022 15:31 GMT+1)

Geoffrey Robertson - Director

Date: 20/06/2022

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MEDIAZEST INTERNATIONAL LTD****Opinion**

We have audited the financial statements of Mediazest International Ltd (the 'company') for the year ended 30 September 2021 which comprise the Statement of Profit or Loss, the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and Notes to the Statement of Cash the Notes to the Financial Statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of the Companies Act 2006.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2021 and of its profit for the year then ended;
- have been properly prepared in accordance international accounting standards in conformity with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

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

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

**Other information**

The other information comprises the information included in the Report and Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Report and Financial Statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MEDIAZEST INTERNATIONAL LTD****Opinions on other matters prescribed by the Companies Act 2006**

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

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

**Matters on which we are required to report by exception**

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

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

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

**Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**Auditor's responsibilities for the audit of the financial statements**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

We obtained a general understanding of the company's legal and regulatory framework through enquiry of management concerning their understanding of relevant laws and regulations; the entity's policies and procedures regarding compliance; and how they identify, evaluate and account for litigation claims. We also drew on our existing understanding of the company's industry and regulation.

We understand that the company complies with the framework through:

- Outsourcing tax compliance to external experts.
- The Directors' close involvement in the day-to-day running of the business, meaning that any litigation or claims would come to their attention directly.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MEDIAZEST INTERNATIONAL LTD**

In the context of the audit, we considered those laws and regulations which determine the form and content of the financial statements; which are central to the company's ability to conduct its business; and where failure to comply could result in material penalties. We identified the following laws and regulations as being of significance in the context of the company:

- The Companies Act 2006 and IFRS in respect of the preparation and presentation of the financial statements.

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur. The areas identified in this discussion were:

- Manipulation of the financial statements, especially revenue, via fraudulent journal entries or error affecting cut off around the year end, particularly as the size of the company means that there is little opportunity for segregation of duties.

The procedures we carried out to gain evidence in the above areas included:

- Challenging management regarding the assumptions used in the estimates identified above.
- Substantive work on material areas affecting profits.
- Testing journal entries, focusing particularly on postings to unexpected or unusual accounts and those posted at unusual times.
- Obtaining a detailed understanding of the sales, purchase and payroll systems and the controls in place.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of our report**

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

Nexia Smith & Williamson

Nexia Smith & Williamson (Jun 20, 2022 15:35 GMT+1)

Andrew Edmonds

Senior Statutory Auditor, for and on behalf of

**Nexia Smith & Williamson**

Statutory Auditor

Chartered Accountants

4th Floor Cumberland House

15-17 Cumberland Place

Southampton

SO15 2BG

Date: 20/06/2022

## MediaZest International Ltd

### Statement of Profit or Loss for the Year Ended 30 September 2021

		Year Ended 30.9.21 £'000	Period 1.4.19 to 30.9.20 £'000
	Notes		
<b>CONTINUING OPERATIONS</b>			
Revenue	4	2,246	3,068
Cost of sales		<u>(1,171)</u>	<u>(1,544)</u>
<b>GROSS PROFIT</b>		1,075	1,524
Other operating income		-	25
Administrative expenses – excluding depreciation and amortisation		<u>(745)</u>	<u>(1,286)</u>
<b>EBITDA</b>		330	263
Administrative expenses – depreciation and amortisation		<u>(74)</u>	<u>(124)</u>
<b>OPERATING PROFIT</b>		256	139
Finance costs	6	<u>(50)</u>	<u>(77)</u>
<b>PROFIT BEFORE TAX ON PROFIT</b>	7	206	62
Tax on profit	9	<u>-</u>	<u>30</u>
<b>PROFIT FOR THE YEAR</b>		<u>206</u>	<u>92</u>

The notes form part of these financial statements

**MediaZest International Ltd**

**Statement of Profit or Loss and Other Comprehensive Income**  
**for the Year Ended 30 September 2021**

	Year Ended 30.9.21 £'000	Period 1.4.19 to 30.9.20 £'000
PROFIT FOR THE YEAR	206	92
OTHER COMPREHENSIVE INCOME	—	—
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>206</u>	<u>92</u>

The notes form part of these financial statements

**MediaZest International Ltd (Registered number: 01227519)**

**Statement of Financial Position**  
**30 September 2021**

	Notes	2021 £'000	2020 £'000
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Owned			
Intangible assets	10	-	-
Property, plant and equipment	11	18	39
Right-of-use			
Property, plant and equipment	11, 19	127	171
		<u>145</u>	<u>210</u>
<b>CURRENT ASSETS</b>			
Inventories	12	150	93
Trade and other receivables	13	1,477	1,184
Cash and cash equivalents	14	120	91
		<u>1,747</u>	<u>1,368</u>
<b>TOTAL ASSETS</b>		<u>1,892</u>	<u>1,578</u>
<b>EQUITY</b>			
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	15	171	171
Share premium	16	1,577	1,577
Capital redemption reserve	16	25	25
Capital contribution reserve	16	83	83
Retained earnings	16	(1,368)	(1,574)
<b>TOTAL EQUITY</b>		<u>488</u>	<u>282</u>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Financial liabilities - borrowings			
Interest bearing loans and borrowings	18	37	50
Lease liabilities	18	108	157
		<u>145</u>	<u>207</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	17	1,001	785
Financial liabilities - borrowings			
Invoice discounting facility	18	192	245
Interest bearing loans and borrowings	18	10	-
Lease liabilities	18	56	59
		<u>1,259</u>	<u>1,089</u>
<b>TOTAL LIABILITIES</b>		<u>1,404</u>	<u>1,296</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>1,892</u>	<u>1,578</u>

The notes form part of these financial statements

MediaZest International Ltd (Registered number: 01227519)

Statement of Financial Position - continued  
30 September 2021

The financial statements were approved by the Board of Directors and authorised for issue on .....20/06/2022..... and were signed on its behalf by:

G Robertson

G Robertson (Jun 20, 2022 15:31 GMT+1)

.....  
Geoffrey Robertson - Director

The notes form part of these financial statements



## MediaZest International Ltd

### Statement of Changes in Equity for the Year Ended 30 September 2021

	Share capital £'000	Retained earnings £'000	Share premium £'000
<b>Balance at 1 April 2019</b>	171	(1,666)	1,577
<b>Changes in equity</b>			
Total comprehensive income	-	92	-
<b>Balance at 30 September 2020</b>	171	(1,574)	1,577
<b>Changes in equity</b>			
Total comprehensive income	-	206	-
<b>Balance at 30 September 2021</b>	171	(1,368)	1,577
	Capital redemption reserve £'000	Capital contribution reserve £'000	Total equity £'000
<b>Balance at 1 April 2019</b>	25	83	190
<b>Changes in equity</b>			
Total comprehensive income	-	-	92
<b>Balance at 30 September 2020</b>	25	83	282
<b>Changes in equity</b>			
Total comprehensive income	-	-	206
<b>Balance at 30 September 2021</b>	25	83	488

The notes form part of these financial statements

## MediaZest International Ltd

### Statement of Cash Flows for the Year Ended 30 September 2021

		Year Ended 30.9.21 £'000	(Restated) Period 1.4.19 to 30.9.20 £'000
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	195	130
Tax received		-	30
Net cash from operating activities		195	160
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(8)	(29)
Net cash from investing activities		(8)	(29)
<b>Cash flows from financing activities</b>			
Other loans		(10)	(16)
Bounce back loan (repayments)/receipts		(3)	50
Invoice financing (repayments)/receipts		(53)	42
Payment of lease liabilities		(42)	(47)
Interest paid		(50)	(91)
Net cash from financing activities		(158)	(62)
<b>Increase in cash and cash equivalents</b>		29	69
<b>Cash and cash equivalents at beginning of year</b>	2	91	22
<b>Cash and cash equivalents at end of year</b>	2	120	91

The notes form part of these financial statements

## MediaZest International Ltd

### Notes to the Statement of Cash Flows for the Year Ended 30 September 2021

#### 1. RECONCILIATION OF PROFIT BEFORE TAX ON PROFIT TO CASH GENERATED FROM OPERATIONS

	Year Ended 30.9.21 £'000	Period 1.4.19 to 30.9.20 £'000
Profit before tax on profit	206	62
Depreciation charges	74	125
Tax on ordinary activities	-	30
Finance costs	<u>50</u>	<u>77</u>
	330	294
Increase in inventories	(57)	(24)
Increase in trade and other receivables	(294)	(209)
Increase in trade and other payables	<u>216</u>	<u>69</u>
<b>Cash generated from operations</b>	<u><u>195</u></u>	<u><u>130</u></u>

#### 2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

##### Year ended 30 September 2021

	30.9.21 £'000	1.10.20 £'000
Cash and cash equivalents	<u>120</u>	<u>91</u>
	<u><u>120</u></u>	<u><u>91</u></u>

##### Period ended 30 September 2020

	30.9.20 £'000	1.4.19 £'000
Cash and cash equivalents	<u>91</u>	<u>22</u>
	<u><u>91</u></u>	<u><u>22</u></u>

Following a review of recent IFRIC decisions the status of the invoice discounting facility was reviewed and it was determined that it should be reflected in financing activities rather than as a component of cash and cash equivalents.

The notes form part of these financial statements

## MediaZest International Ltd

### Notes to the Statement of Cash Flows for the Year Ended 30 September 2021

#### 3. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Financial liabilities £'000	Lease liabilities £'000	Total liabilities £'000
At 1 April 2019	203	248	451
Cashflows	50	(63)	(13)
Other non-cash changes	42	31	73
At 30 September 2020 and 1 October 2020	295	216	511
Cashflows	(3)	(71)	(74)
Other non-cash changes	(53)	19	(34)
At 30 September 2021	239	164	403

The notes form part of these financial statements

## **MediaZest International Ltd**

### **Notes to the Financial Statements** **for the Year Ended 30 September 2021**

#### **1. STATUTORY INFORMATION**

MediaZest International Ltd is a private Company, limited by shares; domiciled and incorporated in England, under company registration number 01227519. Its principal place of business and registered office is at Unit 9 Woking Business Park, Albert Drive, Woking, Surrey GU21 5JY.

#### **2. ACCOUNTING POLICIES**

##### **Basis of preparation**

These financial statements have been prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

In the prior year, a decision was made by the Board to extend the accounting period from 12 months to 18 months due to the Covid 19 pandemic and resultant impact on cashflows. Therefore, prior year numbers are not directly comparable.

##### **Going concern**

The Company made a profit after tax of £206,000 (2020: profit of £92,000) and has net current assets of £488,000 (2020: £279,000). The financial statements are prepared on a going concern basis which the Directors believe to be appropriate for the following reasons:

The Directors have carefully considered the going concern assumption on the basis of financial projections and the factors outlined below.

The Directors have considered financial projections based upon known future invoicing, existing contracts, pipeline of new business and the increasing number of opportunities it is currently working on in 2022, across all main sectors the company specialises in. Several substantial new contracts have been won during the new financial year and recurring revenues remain robust. Future operating and capital costs have also been reviewed and included in the cash flow forecast prepared by the Directors.

These forecasts have also been considered in light of the ongoing economic difficulties in the global economy as a result of the ongoing Covid-19 Pandemic, war in Ukraine, consequences of the UK Brexit agreement, cost of living increases, and previous experience of the markets in which the company operates and the seasonal nature of those markets.

Management has engaged with clients where possible to understand their plans for the coming year, the likely timing of those plans and any contingencies such as the timing and extent of lockdown measures that may impact them. Several have indicated substantial projects which they expect to work with the Company to deliver in the next 12 months, however as always, timing remains difficult to predict.

These forecasts indicate that the Company will generate sufficient cash resources to meet its liabilities as they fall due over the 12-month period from the date of the approval of the accounts. As a result the Directors consider that it is appropriate to draw up the accounts on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

## **MediaZest International Ltd**

### **Notes to the Financial Statements - continued** **for the Year Ended 30 September 2021**

#### **2. ACCOUNTING POLICIES - continued**

##### **Government furlough scheme**

The Company has utilised the Government's Job Retention Scheme to furlough employees at appropriate levels during the current and prior period.

Furlough income has been recognised on a systematic basis over the periods in which the Company has recognised the associated expenses that these grants are intended to compensate.

This income has been presented in the financial statements as a deduction in the related employee expenses.

##### **Changes in accounting policies**

There are no new standards or amendments to standards which are mandatory for the first time for the financial year ended 30 September 2021.

##### **Revenue recognition**

Revenue is measured at the transaction price received or receivable allocated to the performance obligation satisfied and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes. As the expected period between transfer of a promised good or service and payment from the customer is one year or less then no adjustment for a financing component has been made.

For the sale of standalone goods, revenue is recognised when control passes to the customer, which is typically on despatch of goods. Where a solution is provided to a customer including both goods and services and/or software, this is considered to be a single performance obligation and the contract revenue is recognised over the period of installation. Support revenue is recognised evenly over the period of the contract.

##### **Intangible fixed assets**

Intangible fixed assets are stated at cost less amortisation. Amortisation is provided to write off the cost less estimated residual value in equal annual instalments over the estimated useful economic lives of the assets. The estimated useful economic lives are as follows:

Intellectual property	-	three years
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##### **Property, plant and equipment**

Property, plant and equipment is stated at cost less depreciation. Depreciation is provided to write off the cost less estimated residual value in equal annual instalments over the estimated useful economic lives of the assets. The estimated useful economic lives are as follows:

Leasehold property and improvements	-	lease term
Plant and machinery	-	three years

## MediaZest International Ltd

### Notes to the Financial Statements - continued for the Year Ended 30 September 2021

#### 2. ACCOUNTING POLICIES - continued

##### **Financial instruments**

Financial assets and financial liabilities are recognised on the statement of financial position when the Company becomes a party to the contractual provisions of the instrument. The new IFRS 9 "Financial Instruments" has been considered and deemed to have no material impact on these Financial Statements. This is further explained in note 20.

##### **Financial assets**

Cash and cash equivalents include cash at bank and in hand and invoice discounting balances, which are considered to be an integral part of cash management.

##### Financial assets

Trade receivables are held in order to collect the contractual cash flows and are initially measured at the transaction price as defined in IFRS 15, as the contracts of the Company do not contain significant financing components. Impairment losses are recognised based on lifetime expected credit losses in profit or loss.

Other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method less any impairment. Interest income is recognised by applying the effective interest rate except for short term receivables, when the recognition of interest would be immaterial.

##### **Financial liabilities**

##### Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

##### **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue cost.

##### **Other financial liabilities**

Other financial liabilities are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

##### **Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and where applicable direct labour costs, and other costs that have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price, less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

## MediaZest International Ltd

### Notes to the Financial Statements - continued for the Year Ended 30 September 2021

#### 2. ACCOUNTING POLICIES - continued

##### **Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.

##### **Current tax**

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

##### **Deferred tax**

Deferred tax is recognised on the difference between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the statement of financial position liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the statement of financial position date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

##### **Research and development**

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research is recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order for demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

##### **Foreign currencies**

Transactions in foreign currency are recorded at the rate of exchange prevailing on the date of the transaction. Monetary assets and liabilities are retranslated at the year-end rate. Exchange differences are taken to operating profit.



## MediaZest International Ltd

### Notes to the Financial Statements - continued for the Year Ended 30 September 2021

#### 2. ACCOUNTING POLICIES - continued

##### **Leases**

A right of use asset and a lease liability has been recognised for all leases except leases of low value assets, which are considered to be those with a fair value below £4,500, and those with a duration of 12 months or less. The right-of-use asset has been measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date.

The Company will depreciate the right-of-use assets on a straight-line basis from the lease commencement date to the earlier end of the useful life of the right-of-use asset or the end of the lease term. Where impairment indicators exist, the right of use asset will be assessed for impairment.

The lease liabilities are measured at the present value of the lease payments due to the lessor over the lease term, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

After initial measurement, any payments made will reduce the liability and the interest accrued will increase it. Any reassessment or modification will lead to a remeasurement of the liability. In such case, the corresponding adjustment will be reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

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

##### **Pension scheme**

The Company makes payments to certain employees' personal pension schemes. The Company auto-enrols all qualifying employees in the NEST workplace pension scheme. The Company Costs incurred during the year are charged to the statement of comprehensive income as they fall due.

##### **EBITDA**

This is defined as Profit before Tax, adjusted for finance costs, depreciation and amortisation. The company uses this as a valuable measurement of performance after administrative expenses are deducted, but before depreciation, amortisation, finance costs and tax are considered.

##### **Operating profit**

This is defined as Profit before Tax, adjusted for finance cost.

These can be reconciled as follows:

	2021 £'000	2020 £'000
<b>Profit before taxation</b>	206	62
Finance Costs	50	77
<b>Operating profit</b>	256	139
Administrative expenses - depreciation & amortisation	74	124
<b>EBITDA</b>	330	263

## MediaZest International Ltd

### Notes to the Financial Statements - continued for the Year Ended 30 September 2021

#### 3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgements that affect the reported amounts of assets and date and the reported amounts of revenues and expenses during the reported period.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The most significant judgements relate to the going concern assumption (Note 1), the non-recognition of deferred tax assets (Note 9), and judgements around the revenue recognition principles adopted. In particular whether solutions provided to customers form a single or multiple performance obligation. In view of the nature of goods and services provided, the Board consider that there is a single performance obligation based upon the criteria of IFRS 15.

##### **Bad debt provisions**

The trade receivables of £234,000 (2020: £343,000) recorded in the Company's statement of financial position comprise a relatively small number of large balances. Following on from a year end review, the Company deems all trade receivable balances to be recoverable, therefore no provision has been made for bad debt.

##### **Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and where applicable direct labour costs. An stock take is carried out at the end of each month and obsolete items, or items unlikely to sell, are written off to cost of sales. The carrying value of inventory at the year end was £150,000 (2020: £93,000). No provision for inventory was included in the accounts at year end as it was deemed that all carrying inventory was likely to result in a sale.

#### 4. REVENUE

##### **Segmental reporting**

Revenue for the year can be analysed by customer location as follows:

	Year Ended 30.9.21 £'000	Period 1.4.19 to 30.9.20 £'000
UK and Channel Islands	2,178	2,669
Rest of Europe	66	374
North America	2	25
	<u>2,246</u>	<u>3,068</u>

An analysis of revenue by type is shown below:

	Year Ended 30.9.21 £'000	Period 1.4.19 to 30.9.20 £'000
Hardware and installation	1,714	2,097
Support and maintenance - recurring revenue	477	832
Other services (including software solutions)	55	139
	<u>2,246</u>	<u>3,068</u>

## MediaZest International Ltd

### Notes to the Financial Statements - continued for the Year Ended 30 September 2021

Analysis of revenue recognition:

	Year Ended	Period
	30.9.21	1.4.19 to
	£'000	30.9.20
	£'000	£'000
Recognised at a point in time	1,599	137
Recognised over time	<u>647</u>	<u>2,931</u>
	<u>2,246</u>	<u>3,068</u>

Analysis of future obligations:

	Year Ended	Period
	30.9.21	1.4.19 to
	£'000	30.9.20
	£'000	£'000
Performance obligations to be satisfied in the next year	46	425
Performance obligations to be satisfied in later years	<u>15</u>	<u>61</u>
Total future performance obligations	<u>61</u>	<u>486</u>

#### 5. EMPLOYEES AND DIRECTORS

	Year Ended	Period
	30.9.21	1.4.19 to
	£'000	30.9.20
	£'000	£'000
Wages and salaries	434	819
Social security costs	61	94
Other pension costs	<u>18</u>	<u>27</u>
	<u>513</u>	<u>940</u>

The numbers above are shown after offsetting amounts claimed through the Job Retention Scheme as follows:

	Year Ended	Period
	30.9.21	1.4.19 to
	£'000	30.9.20
	£'000	£'000
Wages and salaries	146	85
Social security costs	-	6
Other pension costs	<u>-</u>	<u>1</u>
	<u>146</u>	<u>92</u>

The average number of employees during the year was as follows:

	Year Ended	Period
	30.9.21	1.4.19 to
		30.9.20
Management	2	2
Other	<u>12</u>	<u>12</u>
	<u>14</u>	<u>14</u>

## MediaZest International Ltd

### Notes to the Financial Statements - continued for the Year Ended 30 September 2021

#### 5. EMPLOYEES AND DIRECTORS - continued

	Year Ended 30.9.21 £'000	Period 1.4.19 to 30.9.20 £'000
Directors' remuneration	150	225
Directors' pension contributions to money purchase schemes	<u>8</u>	<u>13</u>

One director is accruing benefits under money purchase pension schemes (2020: one). In addition, Geoffrey Robertson, director of the company during the year, split his time between the Company and the parent company, Mediazest plc. His associated costs including employer National Insurance Contributions and statutory pension contributions have been allocated on a 50% / 50% basis to the Company / Group respectively. The cost recharged to the Company was £75k (including pension contributions), and is included in the above.

#### 6. NET FINANCE COSTS

	Year Ended 30.9.21 £'000	Period 1.4.19 to 30.9.20 £'000
Finance costs:		
Bank loan interest and charges	32	54
Lease interest	<u>18</u>	<u>23</u>
	<u>50</u>	<u>77</u>

#### 7. PROFIT BEFORE TAX ON PROFIT

The profit before tax on profit is stated after charging:

	Year Ended 30.9.21 £'000	Period 1.4.19 to 30.9.20 £'000
Depreciation - owned assets	28	52
Depreciation - leased assets	45	71
Intellectual property amortisation	-	1
Foreign exchange differences	3	-
Pension contributions	<u>18</u>	<u>27</u>

#### 8. AUDITORS' REMUNERATION

	Year Ended 30.9.21 £'000	Period 1.4.19 to 30.9.20 £'000
Fees payable to the Company's auditors for the audit of the Company's financial statements	<u>29</u>	<u>29</u>

## MediaZest International Ltd

### Notes to the Financial Statements - continued for the Year Ended 30 September 2021

#### 9. TAX ON PROFIT

##### Analysis of tax income

	Year Ended 30.9.21 £'000	Period 1.4.19 to 30.9.20 £'000
Current tax: Tax	-	(30)
Total tax income in statement of profit or loss	-	(30)

##### Factors affecting the tax expense

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	Year Ended 30.9.21 £'000	Period 1.4.19 to 30.9.20 £'000
Profit before income tax	206	62
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	39	12
Effects of:		
Expenses not allowable for taxation	-	(1)
Adjustments in respect of previous periods	-	(2)
Tax losses utilised	(39)	-
R&D tax credit	-	(39)
Tax income	-	(30)

#### 10. INTANGIBLE ASSETS

	Intellectual property £'000
<b>COST</b>	
At 1 October 2020 and 30 September 2021	77
<b>AMORTISATION</b>	
At 1 October 2020 and 30 September 2021	77
<b>NET BOOK VALUE</b>	
At 30 September 2021	-

# MediaZest International Ltd

## Notes to the Financial Statements - continued for the Year Ended 30 September 2021

### 10. INTANGIBLE ASSETS - continued

	Intellectual property £'000
<b>COST</b>	
At 1 April 2019 and 30 September 2020	<u>77</u>
<b>AMORTISATION</b>	
At 1 April 2019	76
Amortisation for period	<u>1</u>
At 30 September 2020	<u>77</u>
<b>NET BOOK VALUE</b>	
At 30 September 2020	<u><u>-</u></u>

### 11. PROPERTY, PLANT AND EQUIPMENT

	Leasehold property and improvements £'000	Plant and machinery £'000	Totals £'000
<b>COST</b>			
At 1 October 2020	285	348	633
Additions	<u>-</u>	<u>8</u>	<u>8</u>
At 30 September 2021	<u>285</u>	<u>356</u>	<u>641</u>
<b>DEPRECIATION</b>			
At 1 October 2020	112	311	423
Charge for year	<u>46</u>	<u>27</u>	<u>73</u>
At 30 September 2021	<u>158</u>	<u>338</u>	<u>496</u>
<b>NET BOOK VALUE</b>			
At 30 September 2021	<u><u>127</u></u>	<u><u>18</u></u>	<u><u>145</u></u>

## MediaZest International Ltd

### Notes to the Financial Statements - continued for the Year Ended 30 September 2021

#### 11. PROPERTY, PLANT AND EQUIPMENT - continued

	Leasehold property and improvements £'000	Plant and machinery £'000	Totals £'000
<b>COST</b>			
At 1 April 2019	16	319	335
IFRS 16 transition	<u>238</u>	<u>-</u>	<u>238</u>
As restated	254	319	573
Additions	<u>31</u>	<u>29</u>	<u>60</u>
At 30 September 2020	<u>285</u>	<u>348</u>	<u>633</u>
<b>DEPRECIATION</b>			
At 1 April 2019	11	262	273
IFRS 16 transition	<u>27</u>	<u>-</u>	<u>27</u>
As restated	38	262	300
Charge for period	<u>74</u>	<u>49</u>	<u>123</u>
At 30 September 2020	<u>112</u>	<u>311</u>	<u>423</u>
<b>NET BOOK VALUE</b>			
At 30 September 2020	<u>173</u>	<u>37</u>	<u>210</u>

Property, plant and equipment comprise owned and leased assets as shown below:

	2021 £'000
Property, plant and equipment owned	18
Right-of-use assets (see note 19)	<u>127</u>
	<u>145</u>

Information about leases for which the Company is a lessee is presented below:

	Leasehold property £'000	Total £'000
Balance as at 30 September 2020	171	171
Depreciation charge for the year	<u>(45)</u>	<u>(45)</u>
Balance at 30 September 2021	<u>126</u>	<u>126</u>

## MediaZest International Ltd

### Notes to the Financial Statements - continued for the Year Ended 30 September 2021

#### 12. INVENTORIES

	2021	2020
	£'000	£'000
Finished goods	<u>150</u>	<u>93</u>

The cost of inventories recognised as an expense and included within cost of sales amounted to £1,134,000 (2020: £1,423,000).

During the year the Company made a provision against slow moving stock of £nil (2020: £nil).

#### 13. TRADE AND OTHER RECEIVABLES

	2021	2020
	£'000	£'000
Current:		
Trade receivables	241	343
Amounts owed by group undertakings	1,071	699
Prepayments	161	142
Corporation tax repayable	<u>4</u>	<u>-</u>
	<u>1,477</u>	<u>1,184</u>

Trade receivables, which are the only financial assets at amortised cost, are non-interest bearing and generally have a 30 - 90 day term. Due to their short maturities, the carrying amount of trade and other receivables is a reasonable approximation of their fair value.

A provision for impairment of trade receivables is established using an expected loss model. Expected loss is calculated from a provision matrix based on the expected lifetime default rates and estimates of loss on default.

After undertaking a review of trade receivables, the Company has not provided for any impairment in 2021 (2020: £nil). No provision was deemed necessary for overdue amounts as these amounts related to a few clients with either extended payment terms, or who are long-standing, reliable clients. All of these debts have been settled since the period end.

The table below shows the ageing of trade receivables that are past due but not impaired:

	2021	2020
	£'000	£'000
31 - 60 days	66	129
61 - 90 days	7	21
91 + days	<u>-</u>	<u>31</u>
	<u>73</u>	<u>181</u>

#### 14. CASH AND CASH EQUIVALENTS

	2021	2020
	£'000	£'000
Cash in hand	<u>120</u>	<u>91</u>



## MediaZest International Ltd

### Notes to the Financial Statements - continued for the Year Ended 30 September 2021

#### 15. SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2021	2020
			£'000	£'000
685,143	Ordinary shares	0.25	<u>171</u>	<u>171</u>

Each ordinary share carries the right to one vote at company meetings, equal rights in any ordinary dividend declaration and equal rights in the distribution of any surplus due to ordinary shareholders upon a winding up.

#### 16. RESERVES

	Retained earnings £'000	Share premium £'000	Capital redemption reserve £'000	Capital contribution reserve £'000	Totals £'000
At 1 October 2020	(1,574)	1,577	25	83	111
Profit for the year	<u>206</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>206</u>
At 30 September 2021	<u>(1,368)</u>	<u>1,577</u>	<u>25</u>	<u>83</u>	<u>317</u>

	Retained earnings £'000	Share premium £'000	Capital redemption reserve £'000	Capital contribution reserve £'000	Totals £'000
At 1 April 2019	(1,664)	1,577	25	83	21
Profit for the period	92	-	-	-	92
Adjustment for adoption of IFRS16	<u>(2)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2)</u>
At 30 September 2020	<u>(1,574)</u>	<u>1,577</u>	<u>25</u>	<u>83</u>	<u>111</u>

#### **Share premium account**

Share premium represents the excess of the amount received on the issue of share capital in excess of its nominal value.

#### **Capital redemption reserve**

The reserve records the nominal value of shares repurchased by the company.

#### **Capital contribution reserve**

The reserve is for long-term capital investment projects that will be incurred in the future.

#### **Retained earnings**

Retained earnings relates to accumulated profits less distributions to shareholders.

## MediaZest International Ltd

### Notes to the Financial Statements - continued for the Year Ended 30 September 2021

#### 17. TRADE AND OTHER PAYABLES

	2021 £'000	2020 £'000
Current:		
Contract liabilities	331	220
Trade payables	321	300
Social security and other taxes	183	216
Accrued expenses	<u>166</u>	<u>49</u>
	<u>1,001</u>	<u>785</u>

£220,000 of revenue was recognised in the reporting period that was included in the contract liability balance at the beginning of the period.

The directors consider that the carrying amount of trade and other payables approximates to their fair value and the Company has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

#### 18. FINANCIAL LIABILITIES - BORROWINGS

	2021 £'000	2020 £'000
Current:		
Invoice discounting facility	192	245
Bank loans	10	-
Leases (see note 19)	<u>56</u>	<u>59</u>
	<u>258</u>	<u>304</u>
Non-current:		
Bank loans	37	50
Leases (see note 19)	<u>108</u>	<u>157</u>
	<u>145</u>	<u>207</u>

#### Terms and debt repayment schedule

	1 year or less £'000	1-2 years £'000	More than 5 years £'000	Totals £'000
Invoice discounting facility	192	-	-	192
Bank loans	10	-	37	47
Leases	<u>56</u>	<u>108</u>	<u>-</u>	<u>164</u>
	<u>258</u>	<u>108</u>	<u>37</u>	<u>403</u>

## MediaZest International Ltd

### Notes to the Financial Statements - continued for the Year Ended 30 September 2021

#### 18. **FINANCIAL LIABILITIES - BORROWINGS - continued**

The Company has an invoice discounting facility of up to £500,000 of which there were £192,000 (2020: £245,000) of funds in use at the balance sheet date. This facility is secured under an existing all assets debenture.

Amounts payable under hire purchase contracts are secured against the individual assets financed.

The bank loan is secured against all assets of the Company except in favour of RBSIF releasing book debts from ambit of Natwest security.

#### 19. **LEASING**

##### **Right-of-use assets**

##### **The nature and accounting of Company's leasing activities**

The Company has lease contracts for property and other assets which have lease terms varying between 1 and 6 years.

The lease term begins at the commencement date and includes any rent-free periods provided by the lessor. Lease terms vary between contracts and depend on the individual facts and circumstances of the contract. Lease liabilities are measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate as at 1 April 2019. The Company's incremental borrowing rate is the rate at which a similar borrowing could be obtained from an independent creditor under comparable terms and conditions. The weighted average rate applied was 10%.

##### **Lease liabilities**

Minimum lease payments fall due as follows:

	2021 £'000	2020 £'000
Gross obligations repayable:		
Within one year	68	76
Between one and five years	118	179
	<u>186</u>	<u>255</u>
Finance charges repayable:		
Within one year	12	17
Between one and five years	<u>10</u>	<u>22</u>
	<u>22</u>	<u>39</u>
Net obligations repayable:		
Within one year	56	59
Between one and five years	<u>108</u>	<u>157</u>
	<u>164</u>	<u>216</u>

## MediaZest International Ltd

### Notes to the Financial Statements - continued for the Year Ended 30 September 2021

#### 20. FINANCIAL INSTRUMENTS

The Company's financial instruments comprise cash and cash equivalents, invoice discounting facility, bank loan and items such as trade payables and trade receivables which arise directly from its operations. The main purpose of these financial instruments is to facilitate the Company's operations.

The Company's operations expose it to a variety of financial risks including credit risk, liquidity risk, interest rate risk and foreign currency exchange rate risk. Given the size of the Company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the Company's finance department.

#### **Market risk and sensitivity analysis**

##### **Credit risk**

The Company's credit risk is primarily attributable to its trade receivables. The Company has implemented policies that require appropriate credit checks on potential customers before sales are made.

The amount of exposure to any individual counterparty is subject to a limit, which is reassessed annually by the board.

The carrying amount of financial assets represents the maximum credit exposure. The maximum credit exposure of the Company to credit risk at the reporting date was as follows:

	2021 £'000	2020 £'000
Trade receivables	241	343
Cash and cash equivalents	<u>120</u>	<u>91</u>

##### **Interest rate risk**

The Company is exposed to interest rate risk as a result of positive cash balances at certain times during the year which earn interest at a variable rate, however the interest balance is immaterial therefore no sensitivity analysis is required under IFRS 7.

The Company is exposed to interest rate risk as a result of its invoice discounting facility, denominated in sterling, which accrue interest at a variable rate, however the interest balance is immaterial and therefore no sensitivity analysis is required under IFRS 7.

During the current period, the Company received a Bounce Back loan in accordance with the Government's initiative to support businesses financially through the global pandemic. The term of this loan is currently 6 years, with no interest or charges payable in the first year. Thereafter, the interest rate is fixed at 2.5%, therefore there is no interest rate risk.

##### **Foreign currency exchange rate risk**

The Company is exposed to foreign currency exchange rate risk as a result of trade receivables and trade payables which will be settled in US Dollars and Euros. The impact on foreign exchange is immaterial therefore no sensitivity analysis is required under IFRS 7.

## MediaZest International Ltd

### Notes to the Financial Statements - continued for the Year Ended 30 September 2021

#### **Liquidity risk**

The Company monitors its levels of working capital to ensure that it can meet its debt repayments as they fall due.

The following table shows the contractual maturities of the Company's financial liabilities, all of which are measured at amortised cost:

At 30 September 2021	Trade payables £'000	Accruals £'000	Invoice discounting facility £'000	Bank loans £'000	Total £'000
6 months or less	321	166	192	5	684
6-12 months	-	-	-	5	5
More than 12 months	-	-	-	37	37
Total contractual cash flows	321	166	192	47	726
Carrying amount of financial liabilities measured at amortised cost	321	166	192	47	726

At 30 September 2020	Trade payables £'000	Accruals £'000	Invoice discounting facility £'000	Bank loans £'000	Total £'000
6 months or less	300	49	245	-	594
6-12 months	-	-	-	-	-
More than 12 months	-	-	-	50	50
Total contractual cash flows	300	49	245	50	644
Carrying amount of financial liabilities measured at amortised cost	300	49	245	50	644

#### **Capital Risk Management**

The Company defines capital as being share capital plus reserves.

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to maintain an optimal capital structure to reduce the cost of capital.

The Board of Directors monitors the level of capital as compared to long term debt commitments and adjusts the ratio of debt to capital as it is determined to be necessary.

## MediaZest International Ltd

### Notes to the Financial Statements - continued for the Year Ended 30 September 2021

#### **21. ULTIMATE PARENT COMPANY**

The results of MediaZest International Ltd are consolidated in the financial statements of MediaZest plc, being the Company's immediate and ultimate parent and controlling Company, which is incorporated in England and Wales. The financial statements of MediaZest plc can be obtained from that company's registered office, which is Unit 9, Woking Business Park, Albert Drive, Woking, Surrey, GU21 5JY.

#### **22. CONTINGENT LIABILITIES**

There were no contingent liabilities at 30 September 2021 (2020: £nil).

#### **23. CAPITAL COMMITMENTS**

There were no capital commitments at 30 September 2021 (2020: £nil).

#### **24. RELATED PARTY DISCLOSURES**

There were no sales to other group companies during the year ended 30 September 2021 (18 months ended 30 September 2020: £nil). At the balance sheet date the Company was owed £1,071,000 by its parent company MediaZest Plc (18 months ended 30 September 2020: £699,000 owed by). Balances between group companies arise as a result of loans or recharges undertaken in the normal course of business.

A close family member of a Director of the Company provided services to the Company to the value of £45,000 for the year (18 months ended 30 September 2020: £68,000) and received commission of £8,000 (18 months ended 30 September 2020: £12,500).

Another close family member of the same Director received invoiced remuneration of £5,000 during the year (18 months to 30 September 2020: £16,000) for subcontractor services and equipment hire provided by his company.