

AXONN MEDIA LIMITED

COMPANY REGISTRATION NUMBER 03595705

CONSOLIDATED DIRECTORS REPORT AND
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2014

TUESDAY



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22/03/2016

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COMPANIES HOUSE

A. S. ZANETTOS & CO LIMITED
Chartered Accountants & Statutory Auditor
2 - 5 Croxted Mews
286a/288 Croxted Road
Dulwich Village
London SE24 9DA

AXONN MEDIA LIMITED
DIRECTORS REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2014

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AXONN MEDIA LIMITED

STRATEGIC REPORT

YEAR ENDED 31 DECEMBER 2014

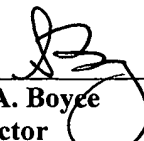
The company continues the transition to newer content based products and services (such as content strategy, bespoke graphics and social media management) which are more in tune with the current market and older products (such as the NewsReach and Content Plus packages) have been discontinued. The results have led to greater customer retention and will feed into substantially increased margins for 2015.

Turnover decreased broadly in line with expectations and is now being more than offset by the major reductions in overheads, lower office costs and streamlined operations enacted during the course of 2014. Monthly wages decreased significantly following the planned restructuring of operations to better suit the focus on newer higher margin services. Sadly the resolution of an equity holder dispute led to a one-off increase in administrative, legal and reputation management fees.

As anticipated cash flow tightened significantly during the year and a temporary overdraft facility was put in place alongside extended payment terms for a handful of creditors. All payments have now been made and liquidity has rapidly improved in 2015.

The company has returned to making significant profits on a monthly basis and the strategy appears to be working. The directors are committed to the company and we anticipate strong profits for 2015.

Signed on behalf of the directors



Mr A. Boyce
Director

Approved by the directors on 10 November 2015

AXONN MEDIA LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2014

The directors present their report and the directors report and financial statements of the group for the year ended 31 December 2014.

RESULTS AND DIVIDENDS

The loss for the year amounted to £813,708. The directors have not recommended a dividend.

FINANCIAL INSTRUMENTS

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Liquidity risk

The company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the company has sufficient liquid resources to meet the operating needs of the business.

Foreign currency risk

The company's principal foreign currency exposures arise from trading with overseas companies. The company policy permits but does not demand that these exposures may be hedged in order to fix the cost in sterling. This hedging activity involves the use of foreign exchange forward contracts.

DIRECTORS

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

Mr. Adam Afriyie

Mr A. Boyce

Mr F. Parker

DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare directors report and financial statements for each financial year. Under that law the directors have elected to prepare the directors report and financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the directors report and financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that year.

In preparing these directors report and financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the directors report and financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

AXONN MEDIA LIMITED

DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2014

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the directors report and financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITOR

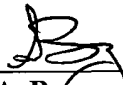
A. S. Zanettos & Co Limited are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Each of the persons who is a director at the date of approval of this report confirm that:

- so far as each director is aware, there is no relevant audit information of which the group's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Registered office:
South Quay Plaza
183 Marsh Wall
London
E14 9SH

Signed on behalf of the directors



Mr A. Boyce
Director

Approved by the directors on 10 November 2015

AXONN MEDIA LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
AXONN MEDIA LIMITED
YEAR ENDED 31 DECEMBER 2014

We have audited the group and parent company directors report and financial statements ("the directors report and financial statements") of AXONN MEDIA LIMITED for the year ended 31 December 2014. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on pages 2 to 3, the directors are responsible for the preparation of the directors report and financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the directors report and financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE DIRECTORS REPORT AND FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the directors report and financial statements sufficient to give reasonable assurance that the directors report and financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the directors report and financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited directors report and financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON DIRECTORS REPORT AND FINANCIAL STATEMENTS

In our opinion the directors report and financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 31 December 2014 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

AXONN MEDIA LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
AXONN MEDIA LIMITED (continued)

YEAR ENDED 31 DECEMBER 2014

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the directors report and financial statements are prepared is consistent with the directors report and financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company directors report and 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.



MR A. S. ZANETTOS

(Senior Statutory Auditor)

For and on behalf of

A. S. ZANETTOS & CO LIMITED

Chartered Accountants

& Statutory Auditor

2 - 5 Croxted Mews
286a/288 Croxted Road
Dulwich Village
London SE24 9DA

10 November 2015

AXONN MEDIA LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2014

	Note	2014 £	2013 £
GROUP TURNOVER	2	6,197,266	7,593,033
Cost of sales		<u>3,161,380</u>	<u>3,546,018</u>
GROSS PROFIT		3,035,886	4,047,015
Administrative expenses		<u>3,890,755</u>	<u>3,517,850</u>
OPERATING (LOSS)/PROFIT	3	(854,869)	529,165
Attributable to:			
Operating (loss)/profit before exceptional items		(630,360)	529,165
Exceptional items	3	<u>(224,509)</u>	<u>—</u>
		(854,869)	529,165
Interest payable and similar charges	6	<u>19,737</u>	<u>—</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(874,606)	529,165
Tax on (loss)/profit on ordinary activities	7	<u>(35,690)</u>	<u>99,398</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		(838,916)	429,767
Minority interests		<u>(25,208)</u>	<u>—</u>
(LOSS)/PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY	8	(813,708)	429,767
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		<u>(813,708)</u>	<u>429,767</u>

All of the activities of the group are classed as continuing.

The group has no recognised gains or losses other than the results for the
year as set out above.

The company has taken advantage of section 408 of the Companies Act 2006
not to publish its own Profit and Loss Account.

The notes on pages 11 to 20 form part of these directors report and financial statements.

AXONN MEDIA LIMITED**GROUP BALANCE SHEET****31 DECEMBER 2014**

	Note	2014 £	2013 £
FIXED ASSETS			
Intangible assets	10	71,290	—
Tangible assets	11	982,136	982,946
		<u>1,053,426</u>	<u>982,946</u>
CURRENT ASSETS			
Debtors	13	720,578	1,342,793
Cash at bank and in hand		109	196,632
		<u>720,687</u>	<u>1,539,425</u>
CREDITORS: Amounts falling due within one year	14	<u>2,462,813</u>	<u>2,300,396</u>
NET CURRENT LIABILITIES		<u>(1,742,126)</u>	<u>(760,971)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(688,700)</u>	<u>221,975</u>
PROVISIONS FOR LIABILITIES			
Deferred taxation	15	106,868	90,521
		<u>(795,568)</u>	<u>131,454</u>
MINORITY INTERESTS		<u>(113,314)</u>	<u>—</u>
		<u>(682,254)</u>	<u>131,454</u>
CAPITAL AND RESERVES			
Called-up equity share capital	17	56,901	56,901
Other reserves	18	2,100	2,100
Profit and loss account	18	(741,255)	72,453
(DEFICIT)/SHAREHOLDERS' FUNDS	19	<u>(682,254)</u>	<u>131,454</u>

These financial statements were approved by the directors and authorised for issue on 10 November 2015, and are signed on their behalf by:


Mr A. Boyce
Director

The notes on pages 11 to 20 form part of these directors report and financial statements.

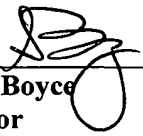
AXONN MEDIA LIMITED

BALANCE SHEET

31 DECEMBER 2014

	Note	2014 £	2013 £
FIXED ASSETS			
Tangible assets	11	969,221	982,946
Investments	12	1,051	1,001
		<u>970,272</u>	<u>983,947</u>
CURRENT ASSETS			
Debtors	13	835,986	1,342,793
Cash at bank and in hand		59	196,632
		<u>836,045</u>	<u>1,539,425</u>
CREDITORS: Amounts falling due within one year	14	<u>2,337,398</u>	<u>2,300,396</u>
NET CURRENT LIABILITIES		<u>(1,501,353)</u>	<u>(760,971)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(531,081)</u>	<u>222,976</u>
PROVISIONS FOR LIABILITIES			
Deferred taxation	15	106,868	90,521
		<u>(637,949)</u>	<u>132,455</u>
CAPITAL AND RESERVES			
Called-up equity share capital	17	56,901	56,901
Other reserves	18	2,100	2,100
Profit and loss account	18	(696,950)	73,454
(DEFICIT)/SHAREHOLDERS' FUNDS		<u>(637,949)</u>	<u>132,455</u>

These financial statements were approved by the directors and authorised for issue on 10 November 2015, and are signed on their behalf by:


Mr A. Boyce
Director

Company Registration Number: 03595705

The notes on pages 11 to 20 form part of these directors report and financial statements.

AXONN MEDIA LIMITED
GROUP CASH FLOW STATEMENT
YEAR ENDED 31 DECEMBER 2014

	Note	2014 £	2013 £
NET CASH INFLOW FROM OPERATING ACTIVITIES		70,029	405,754
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest paid		<u>(19,737)</u>	<u>—</u>
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(19,737)	—
TAXATION		(145,502)	(232,659)
CAPITAL EXPENDITURE			
Payments to acquire tangible fixed assets		<u>(121,345)</u>	<u>(263,788)</u>
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE		(121,345)	(263,788)
ACQUISITIONS AND DISPOSALS		(50)	50
EQUITY DIVIDENDS PAID		—	(265,503)
CASH OUTFLOW BEFORE FINANCING		(216,605)	(356,146)
FINANCING			
Purchase of own equity shares		—	(2,100)
Premium on purchase of own equity shares		<u>—</u>	<u>(92,400)</u>
NET CASH OUTFLOW FROM FINANCING		—	(94,500)
DECREASE IN CASH		<u>(216,605)</u>	<u>(450,646)</u>

The notes on pages 11 to 20 form part of these directors report and financial statements.

AXONN MEDIA LIMITED

GROUP CASH FLOW CASH FLOW STATEMENT

YEAR ENDED 31 DECEMBER 2014

RECONCILIATION OF OPERATING (LOSS)/PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2014	2013
	£	£
Operating (loss)/profit	(854,869)	529,165
Amortisation	17,823	—
Depreciation	117,313	93,667
Loss on disposal of fixed assets	22,064	—
Decrease/(increase) in debtors	706,982	(89,602)
Increase/(decrease) in creditors	60,716	(127,476)
Net cash inflow from operating activities	<u>70,029</u>	<u>405,754</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2014	2013
	£	£
Decrease in cash in the period	(216,605)	(450,646)
Movement in net debt in the period	<u>(216,605)</u>	<u>(450,646)</u>
Net funds at 1 January 2014	196,632	647,279
Net debt at 31 December 2014	<u>(19,973)</u>	<u>196,632</u>

ANALYSIS OF CHANGES IN NET DEBT

	At 1 Jan 2014	Cash flows	At 31 Dec 2014
	£	£	£
Net cash:			
Cash in hand and at bank	196,632	(196,523)	109
Overdrafts	—	(20,082)	(20,082)
Net debt	<u>196,632</u>	<u>(216,605)</u>	<u>(19,973)</u>

The notes on pages 11 to 20 form part of these directors report and financial statements.

AXONN MEDIA LIMITED

NOTES TO THE DIRECTORS REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES

Basis of accounting

The directors report and financial statements have been prepared under the historical cost convention.

Basis of consolidation

The consolidated directors report and financial statements incorporate the directors report and financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over five years from the year of acquisition. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group directors report and financial statements by virtue of section 408 of the Companies Act 2006.

Turnover

The turnover shown in the profit and loss account represents revenue recognised by the company in respect of goods and services supplied during the period, exclusive of Value Added Tax and trade discounts.

Goodwill

Negative goodwill is fully amortised during the year as debtors and liabilities are fully settled.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Amortised over 5 years

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Computer system	- 5% straight line method
Fixtures & fittings	- 20% straight line method
Equipment	- 25% straight line method

AXONN MEDIA LIMITED

NOTES TO THE DIRECTORS REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES *(continued)*

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise, based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset, or on unremitted earnings of subsidiaries where there is no commitment to remit these earnings. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Going concern

The Group incurred a loss of £874,606 for the year ended 31 December 2014 and, as of that date, the Group's current liabilities exceeded its total assets by £688,700. These conditions indicate the existence of a material uncertainty which may cast significant doubt as to the Group's ability to continue as a going concern. The going concern basis is considered appropriate as the Group will be able to continue as a going concern in the foreseeable future due to financial support of the shareholders.

AXONN MEDIA LIMITED

NOTES TO THE DIRECTORS REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

2. TURNOVER

The turnover and loss before tax are attributable to the one principal activity of the group.
An analysis of turnover is given below:

	2014	2013
	£	£
United Kingdom	<u>6,197,266</u>	<u>7,593,033</u>

3. OPERATING (LOSS)/PROFIT

Operating (loss)/profit is stated after charging:

	2014	2013
	£	£
Amortisation of intangible assets	17,823	—
Depreciation of owned fixed assets	117,313	93,667
Loss on disposal of fixed assets	22,064	—
Auditor's remuneration		
- as auditor	33,000	24,000
Exceptional administrative expenses	<u>224,509</u>	<u>—</u>

EXCEPTIONAL ITEMS

This amount represents fees incurred over a dispute among the shareholders with regard to the restructure of the company. This has now been resolved.

4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the group during the financial year amounted to:

	2014	2013
	No	No
Number of production staff	98	169
Number of administrative staff	44	18
Number of management staff	10	9
	<u>152</u>	<u>196</u>

The aggregate payroll costs of the above were:

	2014	2013
	£	£
Wages and salaries	4,265,392	4,465,892
Social security costs	400,241	447,826
Staff pension costs	60,073	38,966
Directors pension costs	10,333	12,486
	<u>4,736,039</u>	<u>4,965,170</u>

AXONN MEDIA LIMITED

NOTES TO THE DIRECTORS REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

5. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were:

	2014	2013
	£	£
Remuneration receivable	291,642	275,134
Value of company pension contributions to money purchase schemes	10,333	12,486
	<u>301,975</u>	<u>287,620</u>

The number of directors who accrued benefits under company pension schemes was as follows:

	2014	2013
	No	No
Money purchase schemes	<u>3</u>	<u>3</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2014	2013
	£	£
Other similar charges payable	<u>19,737</u>	<u>-</u>

7. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2014	2013
	£	£
Current tax:		
UK Corporation tax based on the results for the year at 20% (2013 - 20%)	-	52,037
(Over)/under provision in prior year	<u>(52,037)</u>	<u>-</u>
Total current tax	<u>(52,037)</u>	<u>52,037</u>
Deferred tax:		
Origination and reversal of timing differences (note 15)		
Capital allowances	<u>16,347</u>	<u>47,361</u>
Tax on (loss)/profit on ordinary activities	<u>(35,690)</u>	<u>99,398</u>

AXONN MEDIA LIMITED

NOTES TO THE DIRECTORS REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

7. TAXATION ON ORDINARY ACTIVITIES *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the (loss)/profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 20% (2013 - 20%).

	2014 £	2013 £
(Loss)/profit on ordinary activities before taxation	<u>(874,606)</u>	<u>529,165</u>
(Loss)/profit on ordinary activities by rate of tax	(174,921)	105,833
Expenses not deductible for tax purposes	88,338	19,487
Capital allowances for period in excess of depreciation	(43,361)	(73,283)
Unrelieved tax losses	77,907	-
Total current tax (note 7(a))	<u>(52,037)</u>	<u>52,037</u>

8. LOSS ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The loss dealt with in the directors report and financial statements of the parent company was £(770,404) (2013 - £429,767).

9. DIVIDENDS

Equity dividends

	2014 £	2013 £
Paid during the year:		
Dividends on equity shares	<u>-</u>	<u>265,503</u>

10. INTANGIBLE FIXED ASSETS

Group	Goodwill £
COST	
Additions	89,113
At 31 December 2014	<u>89,113</u>
AMORTISATION	
Charge for the year	17,823
At 31 December 2014	<u>17,823</u>
NET BOOK VALUE	
At 31 December 2014	<u>71,290</u>
At 31 December 2013	<u>-</u>

AXONN MEDIA LIMITED

NOTES TO THE DIRECTORS REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

11. TANGIBLE FIXED ASSETS

Group	Computer system £	Fixtures & Fittings £	Equipment £	Total £
COST				
At 1 January 2014	1,140,080	98,898	536,259	1,775,237
Additions	–	97,706	40,860	138,566
Disposals	–	(96,108)	(504,026)	(600,134)
At 31 December 2014	1,140,080	100,496	73,093	1,313,669
DEPRECIATION				
At 1 January 2014	228,223	88,199	475,869	792,291
Charge for the year	57,004	22,957	37,352	117,313
On disposals	–	(90,200)	(487,871)	(578,071)
At 31 December 2014	285,227	20,956	25,350	331,533
NET BOOK VALUE				
At 31 December 2014	854,853	79,540	47,743	982,136
At 31 December 2013	911,857	10,699	60,390	982,946
Company	Computer system £	Fixtures & Fittings £	Equipment £	Total £
COST				
At 1 January 2014	1,140,080	98,898	536,259	1,775,237
Additions	–	97,257	24,089	121,346
Disposals	–	(96,108)	(504,026)	(600,134)
At 31 December 2014	1,140,080	100,047	56,322	1,296,449
DEPRECIATION				
At 1 January 2014	228,223	88,199	475,869	792,291
Charge for the year	57,004	22,845	33,159	113,008
On disposals	–	(90,200)	(487,871)	(578,071)
At 31 December 2014	285,227	20,844	21,157	327,228
NET BOOK VALUE				
At 31 December 2014	854,853	79,203	35,165	969,221
At 31 December 2013	911,857	10,699	60,390	982,946

AXONN MEDIA LIMITED

NOTES TO THE DIRECTORS REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

12. INVESTMENTS

Company	Group companies £
COST	
At 1 January 2014	1,001
Additions	50
At 31 December 2014	<u>1,051</u>
NET BOOK VALUE	
At 31 December 2014	<u>1,051</u>
At 31 December 2013	<u>1,001</u>

	Country of incorporation	Holding	Proportion of voting rights and shares held	Nature of business
Subsidiary undertakings				
All held by the company:				
Stanton Pace Limited	England	Ordinary shares	50%	Online video services and publications
Baubridge Limited	England	Ordinary shares	100%	Dormant
Square Digital Media Limited	England	Ordinary shares	100%	Dormant

13. DEBTORS

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Trade debtors	579,793	691,657	556,213	691,657
Amounts owed by group undertakings	–	–	150,000	–
Other debtors	48,192	182,517	42,786	182,517
Prepayments and accrued income	92,593	468,619	86,987	468,619
	<u>720,578</u>	<u>1,342,793</u>	<u>835,986</u>	<u>1,342,793</u>

AXONN MEDIA LIMITED

NOTES TO THE DIRECTORS REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

14. CREDITORS: Amounts falling due within one year

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Overdrafts	20,082	–	38,453	–
Trade creditors	271,236	96,521	258,266	96,521
Directors' loan accounts	9,836	–	–	–
Other creditors including taxation and social security:				
Corporation tax	47,398	244,937	47,398	244,937
PAYE and social security	103,150	183,227	83,858	183,227
VAT	416,043	249,185	399,556	249,185
Other creditors	416,673	304,423	370,645	304,423
Accruals and deferred income	1,178,395	1,222,103	1,139,222	1,222,103
	<u>2,462,813</u>	<u>2,300,396</u>	<u>2,337,398</u>	<u>2,300,396</u>

15. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was:

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Provision brought forward	90,521	43,160	90,521	43,160
Increase in provision	16,347	47,361	16,347	47,361
Provision carried forward	<u>106,868</u>	<u>90,521</u>	<u>106,868</u>	<u>90,521</u>

The group's provision for deferred taxation consists of the tax effect of timing differences in respect of:

Group	2014		2013	
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Excess of taxation allowances over depreciation on fixed assets	<u>106,868</u>	<u>-</u>	<u>90,521</u>	<u>-</u>

The company's provision for deferred taxation consists of the tax effect of timing differences in respect of:

Company	2014		2013	
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Excess of taxation allowances over depreciation on fixed assets	<u>106,868</u>	<u>-</u>	<u>90,521</u>	<u>-</u>

AXONN MEDIA LIMITED

NOTES TO THE DIRECTORS REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

16. RELATED PARTY TRANSACTIONS

During the period the company acquired goods and services to the sum of £579,765 (2013 - £506,352) from Connect Support Services Limited, a company in which one of the directors of the company has a material interest. The companies trade on normal commercial terms. As at 31 December 2014 the amount prepaid to Connect Support Services Limited was £39,400 (2013 - Due to Connect Support Services Ltd £8,100).

During the period the company acquired goods and services to the sum of £25,750 (2013 - £Nil) from Stanton Pace Limited, a company in which the company has a material interest. The companies trade on normal commercial terms. As at 31 December 2014 the amount owed to the company is £150,000 (2013 - £Nil).

No dividends were distributed to the directors or their family members for the year (2013 - £224,278).

17. SHARE CAPITAL

Allotted, called up and fully paid:

	2014		2013	
	No	£	No	£
Ordinary shares of £0.01 each	<u>5,690,067</u>	<u>56,901</u>	<u>5,690,067</u>	<u>56,901</u>

18. RESERVES

Group

	Capital redemption reserve	Profit and loss account
	£	£
Balance brought forward	2,100	72,453
Loss for the year	—	(813,708)
Balance carried forward	<u>2,100</u>	<u>(741,255)</u>

Company

	Capital redemption reserve	Profit and loss account
	£	£
Balance brought forward	2,100	73,454
Loss for the year	—	(770,404)
Balance carried forward	<u>2,100</u>	<u>(696,950)</u>

AXONN MEDIA LIMITED

NOTES TO THE DIRECTORS REPORT AND FINANCIAL STATEMENTS

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19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2014	2013
	£	£
(Loss)/Profit for the financial year	(813,708)	429,767
Purchase of own ordinary shares	—	(2,100)
Premium on purchase of own ordinary shares	—	(92,400)
Equity dividends	—	(265,503)
	<u>—</u>	<u>(360,003)</u>
Net (reduction)/addition to shareholders' funds	(813,708)	69,764
Opening shareholders' funds	131,454	61,690
Closing shareholders' (deficit)/funds	<u>(682,254)</u>	<u>131,454</u>

20. NOTES TO THE CASH FLOW STATEMENT

ACQUISITIONS AND DISPOSALS

	2014	2013
	£	£
Disposal of shares in group undertakings	—	(50)
Net cash inflow from acquisitions and disposals	<u>—</u>	<u>(50)</u>

21. ULTIMATE CONTROLLER

In the opinion of the directors Mr A. Afriyie, who effectively controls 63.3% (2013 - 56.80) of the shares of Axonn Media Limited, is the group's ultimate controller (2013 - Mr A. Afriyie).