Financial Statements Mixmag Media Limited

For the year ended 31 December 2015

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COMPANIES HOUSE

Registered number: 04333049

Company Information

Directors	D Hepworth J W Perkins P Strong I Flooks
Company secretary	D Joseph
Registered number	04333049
Registered office	90-92 Pentonville Road London N1 9HS
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor The Colmore Building 20 Colmore Circus Birmingham B4 6AT

Contents

Directors' report
For the year ended 31 December 2015

The directors present their report and the audited financial statements for the year ended 31 December 2015.

Directors' responsibilities statement

The directors are responsible for preparing the 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 year. Under that law the directors have elected to prepare the 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 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 period. In preparing these financial statements, the directors are required to:

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

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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activities

The principal activity of the business is in marketing and packaging content in the dance sector through print, digital media, and through events.

Directors

The directors who served during the year were:

D Hepworth
J W Perkins
P Strong
I Flooks

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company and the group's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the group's auditor is aware of that information.

Directors' report
For the year ended 31 December 2015

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

This report was approved by the board and signed on its behalf.

J W Perkins
Director

Date: 3/10/2016.

Grant Thornton

Independent auditor's report to the members of Mixmag Media Limited

We have audited the financial statements of Mixmag Media Limited for the year ended 31 December 2015, which comprise the consolidated profit and loss account, the consolidated and company balance sheets and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the 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 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 financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2015 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Grant Thornton

Independent auditor's report to the members of Mixmag Media Limited

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 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic report or in preparing the Directors' report.

Grant Thornton UK LLP

Rebecca Eagle (Senior statutory auditor)
for and on behalf of
Grant Thornton UK LLP
Statutory Auditor
Chartered Accountants
Birmingham
Date: 3 October 2016.

Consolidated profit and loss account

For the year ended 31 December 2015

	Note	2015 £	2014 £
Turnover	1,2	**1,863,989**	1,600,826
Cost of sales		**(889,476)**	(1,365,739)
Gross profit		**974,513**	235,087
Distribution costs		**(12,290)**	(60,207)
Administrative expenses		**(1,533,893)**	(451,744)
Operating loss	3	**(571,670)**	(276,864)
Exceptional items			
Other exceptional items	6	-	(393,268)
Loss on ordinary activities before interest		**(571,670)**	(670,132)
Interest payable and similar charges	5	**(15,300)**	(15,300)
Loss on ordinary activities before taxation		**(586,970)**	(685,432)
Tax on loss on ordinary activities	7	-	-
Loss for the financial year	16	**(586,970)**	(685,432)

The notes on pages 8 to 17 form part of these financial statements.

Consolidated balance sheet

As at 31 December 2015

	Note		2015		2014
		£	£	£	£
Fixed assets					
Tangible assets	9		50,988		24,508
Investments	10		50		50
			51,038		24,558
Current assets					
Stocks	11	19,085		21,029	
Debtors	12	500,757		262,467	
Cash at bank		844,574		53,009	
		1,364,416		336,505	
Creditors: amounts falling due within one year	13	(657,498)		(498,685)	
Net current assets/(liabilities)			706,918		(162,180)
Total assets less current liabilities			757,956		(137,622)
Creditors: amounts falling due after more than one year	14		(170,003)		(170,003)
Net assets/(liabilities)			587,953		(307,625)
Capital and reserves					
Called up share capital	15		4,804		4,266
Share premium account	16		4,575,196		3,093,773
Foreign exchange reserve	16		587		-
Profit and loss account	16		(3,992,634)		(3,405,664)
Equity shareholders' funds/(deficit)	17		587,953		(307,625)

The financial statements have been prepared in accordance with the special provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

J W Perkins
Director
Date: 3.10.2016

The notes on pages 8 to 17 form part of these financial statements.

Company balance sheet
As at 31 December 2015

	Note	£	2015 £	£	2014 £
Fixed assets					
Tangible assets	9		39,842		24,508
Investments	10		114		50
			39,956		24,558
Current assets					
Stocks	11	19,085		21,029	
Debtors	12	544,839		262,467	
Cash at bank		836,045		53,009	
		1,399,969		336,505	
Creditors: amounts falling due within one year	13	(589,275)		(498,685)	
Net current assets/(liabilities)			810,694		(162,180)
Total assets less current liabilities			850,650		(137,622)
Creditors: amounts falling due after one year		(170,003)			(170,003)
Total assets less current liabilities			680,647		307,625
Capital and reserves					
Called up share capital	15		4,804		4,266
Share premium account	16		4,575,196		3,093,773
Profit and loss account	16		(3,899,353)		(3,405,664)
Shareholders' funds/(deficit)	17		680,647		(307,625)

The financial statements have been prepared in accordance with the special provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

J W Perkins
Director
Date: 3.10.2016.

The notes on pages 8 to 17 form part of these financial statements.

Notes to the financial statements
For the year ended 31 December 2015

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

These financial statements include the assets, liabilities and results of Mixmag Media Inc, a subsidiary of Mixmag Media Limited, which was incorporated on 13 August 2015 in Delaware, United States.

1.2 Going concern

The financial statements have been prepared on a going concern basis. The group recorded a loss of £586,970 for the period (2014: £685,432) and had net current assets of £706,918 (2014: net current liabilities of £162,180) and net assets of £587,953 (2014: net liabilities of £307,625) at the balance sheet date.

The directors have prepared cash flow forecasts and considered the cash flow requirement for the group for a period including twelve months from the date of the approval of these financial statements. The cash reserves of the group as at the date of these financial statements have been significantly increased by the cash generated from the share issue in September 2015 (see note 15). The forecasts show that based on the current level of cash reserves and the cash expected to be generated from the group's operations, the group has sufficient resources available in order to continue trading for a period of at least 12 months from the date of these accounts. Based on these forecasts the directors are confident that the group has sufficient flexibility of resources to enable it to pay its debts as they fall due.

As a result of the above, the directors consider it appropriate to prepare the financial statements on a going concern basis.

1.3 Basis of consolidation

The financial statements consolidate the accounts of Mixmag Media Limited and all of its subsidiary undertakings ('subsidiaries').

The company has taken advantage of the exemption contained within 408 of the Companies Act 2006 not to present its own profit and loss account.

The profit and loss account for the year dealt with in the accounts of the company was £493,689 (2014 - £685,432).

1.4 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Revenue from services provided by the group is recognised when the company has performed its obligations and in exchange obtained the right to consideration.

Notes to the financial statements
For the year ended 31 December 2015

1. Accounting policies (continued)

1.5 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. Acquired goodwill is written off in equal annual instalments over its estimated useful economic life up to a maximum of 20 years. The carrying values of intangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures & fittings	-	33% per annum
Computer equipment	-	33% per annum
Website costs	-	25% per annum

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

1.7 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

1.8 Foreign currency transactions

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange gains and losses are recognised in the Profit and loss account.

1.9 Pensions

The group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the group to the fund in respect of the year.

1.10 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost is determined on a weighted average basis.

Notes to the financial statements
For the year ended 31 December 2015

1.11 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.12 Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability. Dividends on preference share capital which is recognised as a financial liability are recognised as finance costs in the profit and loss account.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

2. Turnover

The turnover and loss before tax are attributable to the one principal activity of the group.

During the year ended 31 December 2015, 2% (2014: 4%) of the group's turnover was to markets outside the United Kingdom.

Notes to the financial statements

For the year ended 31 December 2015

3. Operating loss

The operating loss is stated after charging:

	2015	2014
	£	£
Amortisation - intangible fixed assets	-	35,751
Depreciation of tangible fixed assets:		
- owned by the group	17,800	13,984
Auditor's remuneration	15,175	8,500
Auditor's remuneration - non-audit	2,600	2,500
Pension costs	-	492

4. Directors' remuneration

Remuneration was paid in respect of the company's directors as follows:

	2015	2014
	£	£
Emoluments	97,500	94,500

In 2015 there were no directors accruing benefits under defined contribution money purchase schemes (2014: nil).

5. Interest payable

	2015	2014
	£	£
Preference share dividend (note 14)	15,300	15,300

6. Exceptional items

	2015	2014
	£	£
Impairment of goodwill	-	393,268

Notes to the financial statements

For the year ended 31 December 2015

7. Taxation

	2015	2014
	£	£
UK corporation tax charge on loss for the year	-	-

The tax assessed for the year is higher than (2014 - higher than) the standard rate of corporation tax in the UK of 20.25% (2014 - 21.49%). The differences are explained below:

	2015	2014
	£	£
Loss on ordinary activities before tax	(586,970)	(685,432)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014 - 21.49%)	(118,861)	(147,299)
Effects of:		
Expenses not deductible for tax purposes	12,571	11,318
Depreciation in excess of capital allowances	3,604	2,984
Unrelieved tax losses carried forward	102,016	132,997
Other short term timing differences	670	-
Current tax charge for the year	-	-

The unprovided deferred tax asset at 31 December 2015 of £647,140 (2014: £614,137) has not been recognised on the grounds that it is uncertain when taxable profits will be generated by the group to utilise those losses.

8. Intangible fixed assets

	Goodwill
Group	£
Cost	
At 1 January 2015 and 31 December 2015	1,554,837
Amortisation	
At 1 January 2015 and 31 December 2015	1,554,837
Net book value	
At 31 December 2015	-
At 31 December 2014	-

Notes to the financial statements

For the year ended 31 December 2015

9. Tangible fixed assets

Group	Computer equipment £	Fixtures & fittings £	Websites £	Total £
Cost				
At 1 January 2015	69,850	17,725	71,015	158,590
Additions	7,532	11,891	24,857	44,280
At 31 December 2015	77,382	29,616	95,872	202,870
Depreciation				
At 1 January 2015	63,762	15,874	54,446	134,082
Charge for the year	3,497	2,066	12,237	17,800
At 31 December 2015	67,259	17,940	66,683	151,882
Net book value				
At 31 December 2015	10,123	11,676	29,189	50,988
At 31 December 2014	6,088	1,851	16,569	24,508

9. Tangible fixed assets (continued)

Company	Computer equipment £	Fixtures & fittings £	Website £	Total £
Cost				
At 1 January 2015	69,850	17,725	71,015	158,590
Additions	3,853	3,820	24,856	32,529
At 31 December 2015	73,703	21,545	95,871	191,119
Depreciation				
At 1 January 2015	63,762	15,874	54,446	134,082
Charge for the year	3,326	1,632	12,237	17,195
At 31 December 2015	67,088	17,506	66,683	151,277
Net book value				
At 31 December 2015	6,615	4,039	29,188	39,842
At 31 December 2014	6,088	1,851	16,569	24,508

Notes to the financial statements

For the year ended 31 December 2015

10. Investments

	Group	Company
	£	£
Cost or valuation		
At 1 January 2015	50	50
Additions	-	64
At 31 December 2015	50	114
Net book value		
At 31 December 2015	50	114
At 31 December 2014	50	50

The company owns 25% of the ordinary share capital of Don't Stay In Limited (previously Love Socio Limited), a company incorporated in England and Wales.

On 13 August 2015, Mixmag Media Inc. was incorporated, a wholly owned subsidiary of Mixmag Media Limited.

11. Stocks

	Group		Company	
	2015	2014	**2015**	2014
	£	£	£	£
Raw materials	**19,085**	21,029	**19,085**	21,029

12. Debtors

	Group		Company	
	2015	2014	**2015**	2014
	£	£	£	£
Trade debtors	**411,403**	215,825	**411,403**	215,825
Amounts owed by group undertakings	-	-	**82,315**	-
Other debtors	**89,354**	46,642	**51,121**	46,642
	500,757	262,467	**544,839**	262,467

Notes to the financial statements

For the year ended 31 December 2015

13. Creditors:

Amounts falling due within one year

	Group		Company	
	2015	2014	**2015**	2014
	£	£	**£**	£
Trade creditors	**180,403**	137,957	**161,791**	137,957
Other taxation and social security	**26,864**	24,164	**26,864**	24,164
Other creditors	**294,681**	196,314	**245,070**	196,314
Preference share dividend	**155,550**	140,250	**155,550**	140,250
	657,498	498,685	**589,275**	498,685

14. Creditors:
Amounts falling due after more than one year

	2015	2014
	£	£
Preference Share Capital	**170,003**	170,003

Preference shareholders are entitled to a dividend paid half yearly at 9% per annum based upon par value and any premium paid on the shares. During 2008 the shareholders gained the right to convert the preference shares into ordinary shares with no premium payable on demand.

Authorised, allotted and fully paid

	2015	2014
	£	£
1,248 preference shares of 10p each	**125**	125
Share premium on issue of preference shares	**169,878**	169,878
	170,003	170,003

Notes to the financial statements

For the year ended 31 December 2015

15. *Share capital*

	2015	2014
	£	£
Allotted, called up and fully paid		
48,040 (2014 - 42,662) Ordinary shares of £0.10 each	**4,804**	4,266

On 20 September 2015 the company allotted and issued 5,378 shares of £0.10 each for a total subscription price of £1,481,962 (a cost of £275.56 per share).

On 30 January 2003 the company issued 2 EMI share option agreements for 700 ordinary shares of 10p each, which can be exercised upon the earliest of the following events at 10p per share

(i) Death in Service,

(ii) Cessation of employment through injury or disability, retirement, transfer or sale of the undertaking or at the directors' discretion,

(iii) Tenth anniversary of the agreement.

16. Reserves

Group	Share premium account £	Foreign exchange reserve £	Profit and loss account £
At 1 January 2015	**3,093,773**	-	**(3,405,664)**
Loss for the year	-	-	**(586,570)**
Premium on shares issued during the year	**1,481,423**	-	-
Movement on foreign exchange	-	**587**	-
At 31 December 2015	**4,575,196**	**587**	**(3,992,634)**

Company	Share premium account £	Foreign exchange reserve £	Profit and loss account £
At 1 January 2015	**3,093,775**	-	**(3,405,664)**
Loss for the year	-	-	**(493,689)**
Premium on shares issued during the year	**1,481,423**	-	-
At 31 December 2015	**4,575,198**	-	**(3,899s,353)**

Notes to the financial statements

For the year ended 31 December 2015

17. Reconciliation of movement in equity shareholders' funds

Group	2015 £	2014 £
Opening equity shareholders' (deficit)/funds	**(307,625)**	27,800
Loss for the financial year	**(586,570)**	(685,432)
Shares issued during the year	**538**	747
Share premium on shares issued (net of expenses)	**1,481,423**	349,260
Foreign currency reserve - movement	**587**	-
Closing equity shareholders' funds/(deficit)	**587,953**	(307,625)

Company	2015 £	2014 £
Opening shareholders' (deficit)/funds	**(307,625)**	27,800
Loss for the financial year	**(493,689)**	(685,432)
Shares issued during the year	**538**	747
Share premium on shares issued (net of expenses)	**1,481,423**	349,260
Closing shareholders' funds/(deficit)	**680,647**	(307,625)

18. Related party transactions

During the year the group was invoiced £74,000 (2014: £62,600) for accountancy services by Integral2 Limited, a company of which David Joseph is a director. The group had an outstanding balance of £8,086 (2014: £nil) at the balance sheet date.

During the year the group paid Mrs L Perkins, the wife of Mr J Perkins, £16,000 (2014: £16,000) for secretarial services.

During the year the group was invoiced £52,725 (2014: £21,000) by Wasted Talent Limited for consultancy services provided by Ian Flooks.

19. Controlling party

No one individual has overall control of the company based on their shareholding.

20. Principal subsidiaries

Company name	Nature of business	Percentage Shareholding	Country of incorporation
Mixmag US Inc	Media and advertising	100%	United States of America