Financial Statements
Mixmag Media Limited (formerly Development Hell Limited)

For the year ended 31 December 2014

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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 Colmore Plaza 20 Colmore Circus Birmingham B4 6AT

Contents

Directors' report
For the year ended 31 December 2014

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

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
S Gulliford (resigned 27 November 2014)
I Flooks (appointed 17 January 2014)

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 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;
- 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 company 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 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.

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'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's auditor is aware of that information.

Directors' report
For the year ended 31 December 2014

Auditor

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

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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

J W Perkins
Director

Date: 24 | 11 | 2015

Grant Thornton

Independent auditor's report to the members of Mixmag Media Limited (formerly Development Hell Limited)

We have audited the financial statements of Mixmag Media Limited (formerly Development Hell Limited) for the year ended 31 December 2014, which comprise the Profit and loss account, the Balance sheet 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 (APB'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 company's affairs as at 31 December 2014 and of its 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 (formerly Development Hell 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, 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; 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: 27 November 2015

Profit and loss account

For the year ended 31 December 2014

	Note	2014 £	2013 £
Turnover	1,2	**1,600,826**	1,644,244
Cost of sales		**(1,365,739)**	(1,112,167)
Gross profit		**235,087**	532,077
Distribution costs		**(60,207)**	(60,109)
Administrative expenses		**(451,744)**	(351,482)
Operating (loss)/profit	3	**(276,864)**	120,486
Exceptional items			
Other exceptional items	6	**(393,268)**	-
(Loss)/profit on ordinary activities before interest		**(670,132)**	120,486
Interest payable and similar charges	5	**(15,300)**	(15,300)
(Loss)/profit on ordinary activities before taxation		**(685,432)**	105,186
Tax on (loss)/profit on ordinary activities	7	**-**	-
(Loss)/profit for the financial year	16	**(685,432)**	105,186

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

Balance sheet
As at 31 December 2014

	Note	£	2014 £	£	2013 £
Fixed assets					
Intangible assets	8		-		429,019
Tangible assets	9		**24,508**		23,524
Investments	10		**50**		50
			24,558		452,593
Current assets					
Stocks	11	**21,029**		14,505	
Debtors	12	**262,467**		121,483	
Cash at bank		**53,009**		65,694	
		336,505		201,682	
Creditors: amounts falling due within one year	13	**(498,685)**		(456,472)	
Net current liabilities			**(162,180)**		(254,790)
Total assets less current liabilities			**(137,622)**		197,803
Creditors: amounts falling due after more than one year	14		**(170,003)**		(170,003)
Net (liabilities)/assets			**(307,625)**		27,800
Capital and reserves					
Called up share capital	15		**4,266**		3,519
Share premium account	16		**3,093,773**		2,744,513
Profit and loss account	16		**(3,405,664)**		(2,720,232)
Equity shareholders' (deficit)/funds	17		**(307,625)**		27,800

The financial statements have been prepared in accordance with the 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).

Balance sheet (continued)
As at 31 December 2014

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

J W Perkins
Director
Date: 24 | 11 | 2015

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

Notes to the financial statements
For the year ended 31 December 2014

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).

1.2 Going concern

The financial statements have been prepared on a going concern basis. The company recorded a loss of £685,432 for the period (2013: profit of £105,186) and had net current liabilities of £162,180 (2013: £254,790) and net liabilities of £307,625 (2013: net assets of £27,800) at the balance sheet date.

The directors have prepared cash flow forecasts and considered the cash flow requirement for the company for a period including twelve months from the date of the approval of these financial statements. The cash reserves of the company 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 19). The forecasts show that based on the current level of cash reserves and the cash expected to be generated from the company's operations, the company 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 company 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 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 company is recognised when the company has performed its obligations and in exchange obtained the right to consideration.

1.4 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.

1.5 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

Notes to the financial statements
For the year ended 31 December 2014

1. Accounting policies (continued)

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.

1.6 Investments

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

1.7 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.

1.8 Pensions

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

1.9 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.

1.10 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.

Notes to the financial statements
For the year ended 31 December 2014

1. Accounting policies (continued)

1.11 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 profit before tax are attributable to the one principal activity of the company.

During the year ended 31 December 2014, 4% (2013: 3%) of the company's turnover was to markets outside the United Kingdom.

3. Operating (loss)/profit

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

	2014	2013
	£	£
Amortisation - intangible fixed assets	**35,751**	35,751
Depreciation of tangible fixed assets:		
- owned by the company	**13,984**	12,338
Auditor's remuneration	**8,500**	8,500
Auditor's remuneration - non-audit	**2,500**	2,500
Pension costs	**492**	492

Notes to the financial statements
For the year ended 31 December 2014

4. Directors' remuneration

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

	2014	2013
	£	£
Emoluments	**94,500**	87,000

In 2014 there were no directors accruing benefits under defined contribution money purchase schemes (2013: nil).

5. Interest payable

	2014	2013
	£	£
Preference share dividend (note 14)	**15,300**	15,300

6. Exceptional items

	2014	2013
	£	£
Impairment of goodwill (note 8)	**393,268**	-

7. Taxation

	2014	2013
	£	£
UK corporation tax charge on (loss)/profit for the year	-	-

Notes to the financial statements
For the year ended 31 December 2014

7. Taxation (continued)

The tax assessed for the year is higher than (2013 - lower than) the standard rate of corporation tax in the UK of 21.49% (2013 - 23.25%). The differences are explained below:

	2014	2013
	£	£
(Loss)/profit on ordinary activities before tax	**(685,432)**	105,186
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.49% (2013 - 23.25%)	**(147,299)**	24,452
Effects of:		
Expenses not deductible for tax purposes	**11,318**	11,223
Depreciation in excess of capital allowances	**2,984**	51
Utilisation of tax losses	**-**	(36,203)
Other permanent differences	**-**	12
Short term timing difference leading to an increase (decrease) in taxation	**-**	465
Unrelieved tax losses carried forward	**132,997**	-
Current tax charge for the year (see note above)	**-**	-

The unprovided deferred tax asset at 31 December 2014 of £614,137 (2013: £487,616) has not been recognised on the grounds that it is uncertain when taxable profits will be generated by the company to utilise those losses.

Notes to the financial statements

For the year ended 31 December 2014

8. Intangible fixed assets

	Goodwill £
Cost	
At 1 January 2014 and 31 December 2014	**1,355,453**
Amortisation	
At 1 January 2014	**926,434**
Charge for the year	**35,751**
Impairment charge	**393,268**
At 31 December 2014	**1,355,453**
Net book value	
At 31 December 2014	**-**
At 31 December 2013	429,019

As a consequence of the challenging market conditions in which the business operates, the directors have performed an impairment review in accordance with FRS 11. It was concluded that an impairment of £393,268 was required to goodwill for the year (2013: £nil).

9. Tangible fixed assets

	Computer equipment £	Fixtures & fittings £	Websites £	Total £
Cost				
At 1 January 2014	**63,482**	**15,375**	**64,765**	**143,622**
Additions	**6,368**	**2,350**	**6,250**	**14,968**
At 31 December 2014	**69,850**	**17,725**	**71,015**	**158,590**
Depreciation				
At 1 January 2014	**60,743**	**15,375**	**43,980**	**120,098**
Charge for the year	**3,019**	**499**	**10,466**	**13,984**
At 31 December 2014	**63,762**	**15,874**	**54,446**	**134,082**
Net book value				
At 31 December 2014	**6,088**	**1,851**	**16,569**	**24,508**
At 31 December 2013	2,739	-	20,785	23,524

Notes to the financial statements

For the year ended 31 December 2014

10. Fixed asset investments

	Unlisted investments £
Cost or valuation	
At 1 January 2014 and 31 December 2014	**50**
Net book value	
At 31 December 2014	**50**
At 31 December 2013	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.

11. Stocks

	2014 £	2013 £
Raw materials	**21,029**	14,505

12. Debtors

	2014 £	2013 £
Trade debtors	**215,825**	83,492
Other debtors	**46,642**	37,991
	262,467	121,483

Notes to the financial statements
For the year ended 31 December 2014

13. Creditors:
Amounts falling due within one year

	2014	2013
	£	£
Trade creditors	**137,957**	148,819
Other taxation and social security	**24,164**	16,185
Preference share dividend	**140,250**	124,950
Other creditors	**196,314**	166,518
	498,685	456,472

Barclays Bank PLC hold a debenture dated 6 December 2005 over the company in respect of all monies due or to become due from the company to the bank.

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

	2014	2013
	£	£
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

	2014	2013
	£	£
1,248 preference shares of 10p each	**125**	125
Share premium on issue of preference shares	**169,878**	169,878
	170,003	170,003

15. Share capital

	2014	2013
	£	£
Allotted, called up and fully paid		
42,662 (2013 - 35,190) Ordinary shares of £0.10 each	**4,266**	3,519

Notes to the financial statements
For the year ended 31 December 2014

15. Share capital (continued)

On 24 September 2014 the company allotted and issued 7,466 new ordinary shares of £0.10 each for a total subscription price of £350,006 (a cost of £46.88 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

	Share premium account	Profit and loss account
	£	£
At 1 January 2014	2,744,513	(2,720,232)
Loss for the year	-	(685,432)
Premium on shares issued during the year	349,260	-
At 31 December 2014	3,093,773	(3,405,664)

17. Reconciliation of movement in equity shareholders' funds

	2014	2013
	£	£
Opening equity shareholders' funds/(deficit)	27,800	(77,386)
(Loss)/profit for the financial year	(685,432)	105,186
Shares issued during the year	747	-
Share premium on shares issued (net of expenses)	349,260	-
Closing equity shareholders' (deficit)/funds	(307,625)	27,800

Notes to the financial statements

For the year ended 31 December 2014

18. Related party transactions

During the year the company was invoiced £62,600 (2013: £58,015) for accountancy services by Integral2 Limited, a company of which David Joseph is a director. The Company has paid the balance in full, therefore, no outstanding balance existed at the year end.

During the year the company paid Mrs L Perkins, the wife of Mr J Perkins, £16,000 (2013: £16,000) for secretarial services.

19. Post balance sheet events

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).

20. Controlling party

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