

MEDIA ZOO HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

MEDIA ZOO HOLDINGS LIMITED

COMPANY INFORMATION

Directors	M Killick (resigned 21 July 2023) R Pendered (resigned 21 July 2023) S E Ledwidge (appointed 20 April 2022) A J McRae (appointed 20 April 2022) G O Smith (appointed 8 August 2023)
Registered number	09684955
Registered office	B1 The Boulevard Imperial Wharf London SW6 2UB
Independent auditor	TWP Accounting LLP Chartered Accountants & Statutory Auditors The Old Rectory Church Street Weybridge Surrey KT13 8DE

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**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2022**

Introduction

The directors present their strategic report for the trading year ending 31 March 2022.

Business review

The group's principal activities during the year were the provision of communication, production, content creation and learning & development services. The year itself was challenging for the business with the continuation of the pandemic alongside the switch to hybrid working. Despite this, group revenue rose to £14,656,024 from £10,397,164, giving an operating profit of £1,058,993 and a profit after tax of £691,012.

Principal risks and uncertainties

As with any business, the group may be affected by a number of risks and uncertainties, some of which are beyond its control. The principal risks facing the group are described below.

The group is vulnerable to the effect of poor economic conditions, which could inhibit growth and create uncertainty. This could result in campaigns or projects being cancelled or deferred at short notice. Whilst the group has long-standing relationships with its clients, the level of spend is predominantly at their discretion rather than being guaranteed.

Mitigations in place include diversification into new markets that are capable of delivering profit growth along with a focus on attracting a wider client base.

Competitive pressure in the UK is another risk for the group, which could result in a loss of sales to competitors. The group manages this by providing added value services to clients, achieving or exceeding service level agreements and by maintaining strong client relationships.

Business review and future developments

During the year, the group has continued to improve its offering to clients and to expand its activities in consulting services around customer insights. The Company has recovered well from the challenges it experienced related to the effects of the Covid pandemic. Challenges around retaining talent and pressure from clients to reduce costs have impacted margin.

Financial key performance indicators

Alongside the revenue growth, the group saw an increase in net assets to over £8 million (up from £7.5 million) and an increase in cash at bank to £6.7 million (up from £4.4 million).

Other key performance indicators

The increase in revenue was matched by an increase in headcount which grew to 107 to 147 over the year.

Post Year End Events

Shortly after the financial year end, 40% of the shares in Media Zoo Holdings were acquired by funds managed by BGF Investment Management Limited, a growth capital investor.

The Company and the Group are currently in active discussions with their secured lender and equity investor with a view to (amongst other things) re-setting covenants contained in two debt facility agreements and/or refinancing these debt facilities as a result of breaches of financial and other covenants in certain facility agreements with their secured lender and equity investor.

MEDIA ZOO HOLDINGS LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

This report was approved by the board on 10 August 2023 and signed on its behalf.

A J McRae
Director

MEDIA ZOO HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2022

The directors present their report and the financial statements for the year ended 31 March 2022.

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Group's financial statements 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 to 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 activity

The principal activity of the group is the production of film projects, PR consultancy and Learning & Development projects.

Results and dividends

The profit for the year, after taxation, amounted to £691,012 (2021 - £1,283,554).

The total distribution of dividends to the owners of the company for the year is £nil (2021 - £nil).

Directors

The directors who served during the year were:

M Killick (resigned 21 July 2023)

R Pendered (resigned 21 July 2023)

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 the director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the 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.

MEDIA ZOO HOLDINGS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

Post balance sheet events

There have been no significant events affecting the group since the balance sheet date other than those mentioned within the strategic report.

Auditor

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

This report was approved by the board on 10 August 2023 and signed on its behalf.

A J McRae
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MEDIA ZOO HOLDINGS LIMITED

Opinion

We have audited the financial statements of Media Zoo Holdings Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2022, which comprise the Group Statement of Comprehensive Income, the Group and Company Balance Sheets, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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 March 2022 and of the Group's profit 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.

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 Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

Material uncertainty related to going concern

We draw attention to note 2.4 in the financial statements, which indicates the Group's ability to continue as a going concern is dependent on the continued support of the Company and the Group's secured lender and equity investor. As stated in note 2.4, these events or conditions, along with the other matters as set forth in note 2.4, indicate that a material uncertainty exists that may cast significant doubt on the Group's or the parent Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MEDIA ZOO HOLDINGS LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's Report thereon. The directors are responsible for the other information contained within the Annual Report. 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.

Opinion 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 Group 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 Group 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 Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group 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 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.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 Group's and the parent 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 Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MEDIA ZOO HOLDINGS LIMITED (CONTINUED)

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 Group 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:

- Obtain an understanding of the policies and procedures management has in place to detect and prevent fraud and non-compliance with laws and regulations.
- Enquire of management any cases of actual or suspected fraud and non-compliance with laws and regulations.
- Enquire of management and those charged with governance around actual and potential litigation and claims.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Assess the key risk areas within the financial statements which are susceptible to fraud or error and design our audit approach thereon.
- Perform substantive tests on a sample of transactions throughout the financial statements to ensure that no material errors have been identified.
- Perform cut off tests on a sample of transactions to ensure income has been accounted for in the correct period.
- Review of after year end information to ensure expenditure have been accounted for in the correct period.
- Perform analytical review procedures to identify any irregularities and investigation thereon.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MEDIA ZOO HOLDINGS LIMITED (CONTINUED)

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.

Philip Munk FCA FCCA (Senior Statutory Auditor)

for and on behalf of

TWP Accounting LLP

Chartered Accountants & Statutory Auditors

The Old Rectory
Church Street
Weybridge
Surrey
KT13 8DE

10 August 2023

MEDIA ZOO HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 £	2021 £
Turnover	3	14,656,024	10,397,164
Cost of sales		(3,104,817)	(1,897,655)
Gross profit		11,551,207	8,499,509
Administrative expenses		(10,506,030)	(7,172,762)
Other operating income	4	13,962	301,018
Other operating charges		(146)	-
Operating profit	5	1,058,993	1,627,765
Interest receivable and similar income	9	28,273	5,000
Interest payable and expenses	10	(230,117)	(146,789)
Profit before taxation		857,149	1,485,976
Tax on profit	11	(166,137)	(202,422)
Profit for the financial year		691,012	1,283,554
Deferred tax on revaluation gain		(100,911)	-
Other comprehensive income for the year		(100,911)	-
Total comprehensive income for the year		590,101	1,283,554
Profit for the year attributable to:			
Owners of the parent Company		691,012	1,283,554
		691,012	1,283,554
Total comprehensive income for the year attributable to:			
Owners of the parent Company		590,101	1,283,554
		590,101	1,283,554

The notes on pages 16 to 36 form part of these financial statements.

MEDIA ZOO HOLDINGS LIMITED
REGISTERED NUMBER: 09684955

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	12	270	270
Tangible assets	13	10,255,016	10,365,188
		<u>10,255,286</u>	<u>10,365,458</u>
Current assets			
Debtors: amounts falling due after more than one year	15	1,616,320	500,000
Debtors: amounts falling due within one year	15	3,723,205	2,879,465
Cash at bank and in hand	16	6,772,639	4,404,602
		<u>12,112,164</u>	<u>7,784,067</u>
Creditors: amounts falling due within one year	17	(6,238,659)	(3,166,571)
Net current assets		<u>5,873,505</u>	<u>4,617,496</u>
Total assets less current liabilities		<u>16,128,791</u>	<u>14,982,954</u>
Creditors: amounts falling due after more than one year	18	(7,262,270)	(6,819,724)
Provisions for liabilities			
Deferred taxation	21	(733,426)	(620,236)
		<u>(733,426)</u>	<u>(620,236)</u>
Net assets		<u>8,133,095</u>	<u>7,542,994</u>
Capital and reserves			
Called up share capital	22	91	91
Revaluation reserve	23	1,560,899	1,661,810
Profit and loss account	23	6,572,105	5,881,093
		<u>8,133,095</u>	<u>7,542,994</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 10 August 2023.

A J McRae
Director

The notes on pages 16 to 36 form part of these financial statements.

MEDIA ZOO HOLDINGS LIMITED
REGISTERED NUMBER: 09684955

COMPANY BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	12	270	270
Tangible assets	13	838,240	849,985
Investments	14	584,200	584,200
		<u>1,422,710</u>	<u>1,434,455</u>
Current assets			
Debtors: amounts falling due after more than one year	15	1,616,320	500,000
Debtors: amounts falling due within one year	15	1,736,570	1,835,353
Cash at bank and in hand	16	1,136,694	1,736,791
		<u>4,489,584</u>	<u>4,072,144</u>
Creditors: amounts falling due within one year	17	(1,017,356)	(769,184)
		<u>3,472,228</u>	<u>3,302,960</u>
Net current assets		<u>3,472,228</u>	<u>3,302,960</u>
Total assets less current liabilities		<u>4,894,938</u>	<u>4,737,415</u>
Provisions for liabilities			
Deferred taxation	21	(93,672)	(95,903)
		<u>(93,672)</u>	<u>(95,903)</u>
Net assets		<u><u>4,801,266</u></u>	<u><u>4,641,512</u></u>
Capital and reserves			
Called up share capital	22	91	91
Revaluation reserve	23	299,507	299,507
Profit and loss account brought forward		4,341,914	2,447,157
Profit for the year		159,754	1,894,757
Profit and loss account carried forward		4,501,668	4,341,914
		<u><u>4,801,266</u></u>	<u><u>4,641,512</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 10 August 2023.

A J McRae
Director

The notes on pages 16 to 36 form part of these financial statements.

MEDIA ZOO HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022**

	Called up share capital £	Revaluation reserve £	Profit and loss account £	Total equity £
At 1 April 2019	91	1,661,810	4,597,539	6,259,440
Comprehensive income for the year				
Profit for the year	-	-	1,283,554	1,283,554
	<hr/>	<hr/>	<hr/>	<hr/>
At 1 April 2021	91	1,661,810	5,881,093	7,542,994
Comprehensive income for the year				
Profit for the year	-	-	691,012	691,012
Deferred tax on revaluation gain	-	(100,911)	-	(100,911)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2022	91	1,560,899	6,572,105	8,133,095

The notes on pages 16 to 36 form part of these financial statements.

MEDIA ZOO HOLDINGS LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022**

	Called up share capital £	Revaluation reserve £	Profit and loss account £	Total equity £
At 1 April 2019	91	299,507	2,447,157	2,746,755
Comprehensive income for the year				
Profit for the year	-	-	1,894,757	1,894,757
	<hr/>	<hr/>	<hr/>	<hr/>
At 1 April 2021	91	299,507	4,341,914	4,641,512
Comprehensive income for the year				
Profit for the year	-	-	159,754	159,754
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2022	91	299,507	4,501,668	4,801,266

The notes on pages 16 to 36 form part of these financial statements.

MEDIA ZOO HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	2022 £	2021 £
Cash flows from operating activities		
Profit for the financial year	691,012	1,283,554
Adjustments for:		
Depreciation of tangible assets	348,664	214,717
Loss on disposal of tangible assets	-	(592)
Interest paid	230,117	146,789
Interest received	(28,273)	(5,000)
Taxation charge	166,137	202,422
(Increase) in debtors	(1,960,060)	(200,906)
Increase in creditors	2,566,570	258,598
Corporation tax (paid)/received	(227,623)	-
Net cash generated from operating activities	1,786,544	1,899,582
Cash flows from investing activities		
Purchase of tangible fixed assets	(238,526)	(214,658)
Sale of tangible fixed assets	-	708
Interest received	28,273	5,000
Net cash from investing activities	(210,253)	(208,950)
Cash flows from financing activities		
Increase in secured loans	1,131,731	1,379,328
(Repayment of)/new finance leases	(109,868)	(4,680)
Interest paid	(230,117)	(146,789)
Net cash used in financing activities	791,746	1,227,859
Net increase in cash and cash equivalents	2,368,037	2,918,491
Cash and cash equivalents at beginning of year	4,404,602	1,486,111
Cash and cash equivalents at the end of year	6,772,639	4,404,602
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	6,772,639	4,404,602
	6,772,639	4,404,602

The notes on pages 16 to 36 form part of these financial statements.

MEDIA ZOO HOLDINGS LIMITED

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 MARCH 2022**

	At 1 April 2021	Cash flows	At 31 March
	£	£	2022 £
Cash at bank and in hand	4,404,602	2,368,037	6,772,639
Debt due after 1 year	(6,707,861)	(555,654)	(7,263,515)
Debt due within 1 year	(390,043)	(584,879)	(974,922)
Finance leases	(221,731)	109,868	(111,863)
	<u>(2,915,033)</u>	<u>1,337,372</u>	<u>(1,577,661)</u>

The notes on pages 16 to 36 form part of these financial statements.

MEDIA ZOO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1. General information

Media Zoo Holdings Limited is a private company limited by shares, registered in England and Wales. The principal activity of the company in the year under review was that of a holding company.

The address of the registered office is given on the Company Information page of these financial statements.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Monetary amounts in these financial statements are rounded to the nearest pound.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 April 2015.

2.3 Turnover

Turnover comprises revenue recognised by the group in respect of media services and property rental income during the year, exclusive of value added tax and trade discounts.

Turnover is recognised in the profit and loss account over the period to which it relates. Where invoiced in advance, the turnover is included at the stage of completion in deferred income in the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.4 Going concern

The Company and the Group are currently in active discussions with their secured lender and equity investor with a view to (amongst other things) re-setting covenants contained in two debt facility agreements and/or refinancing these debt facilities as a result of breaches of financial and other covenants in certain facility agreements with their secured lender and equity investor.

These breaches occurred (in part) as a result of the recognition of revenue too early in respect of the financial year ended 31 March 2022. As a result, reservation of right letters were submitted to the Company and the Group by the equity investor and secured lender in connection with their loans to the Company and the Group.

The Company and the Group has since reviewed and revised their respective revenue recognition procedures and are presently trading with positive normalised EBITDA in line with management plans and, based on forecasts, have reserves and healthy cash balances for the next twelve months from the date of approval of these financial statements.

However, as is typical in these circumstances, whilst discussions are ongoing there remains a risk that, without the continued support of the Company and the Group's secured lender and equity investor with regard to their respective outstanding loans or a refinancing of such loans, there is uncertainty regarding the ability of the Company and the Group to continue as a going concern.

2.5 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.6 Leased assets: the Group as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.7 Sale and leaseback

Where a sale and leaseback transaction results in a finance lease, no gain is immediately recognised for any excess of sales proceeds over the carrying amount of the asset. Instead, the proceeds are presented as a liability and subsequently measured at amortised cost using the effective interest method.

When a sale and leaseback transaction results in an operating lease, and it is clear that the transaction is established at fair value any profit or loss is recognised immediately. If the sale price is below fair value, any profit or loss is recognised immediately unless the loss is compensated for by the future lease payments at below market price. In that case any such loss is amortised in proportion to the lease payments over the period for which the asset is expected to be used. If the sale price is above fair value, the excess over fair value is amortised over the period for which the asset is expected to be used.

2.8 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.9 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.10 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.11 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.12 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.13 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.13 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	-	2%	straight line
Long-term leasehold property	-		at a rate designed to write off the cost over the life of the leases
Plant and machinery	-	25%	straight line
Motor vehicles	-	25%	straight line
Fixtures and fittings	-	5%	straight line
Office equipment	-	25%	straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

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

The company's leasehold properties used by its subsidiaries are recognised in the company under the costs model within tangible fixed assets. Paragraph 16.4A(b) provides an optional exemption to treat investment properties rented solely to group entities under property, plant and equipment under the cost model.

The freehold and leasehold properties used by its subsidiaries are recognised in the group as tangible fixed assets and any associated gains and losses and deferred taxation thereon are recognised in the revaluation reserve.

2.14 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.15 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.16 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.17 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.19 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

3. Turnover

An analysis of turnover by class of business is as follows:

	2022 £	2021 £
Media services	14,656,024	10,397,164
	<u>14,656,024</u>	<u>10,397,164</u>
	2022 £	2021 £
United Kingdom	14,255,649	10,038,155
Rest of Europe	400,375	359,009
	<u>14,656,024</u>	<u>10,397,164</u>

4. Other operating income

	2022 £	2021 £
Government grants receivable	11,524	161,387
Insurance claims receivable	2,438	139,631
	<u>13,962</u>	<u>301,018</u>

MEDIA ZOO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

5. Operating profit

The operating profit is stated after charging:

	2022	2021
	£	£
Exchange differences	(17,778)	2,868
Other operating lease rentals	<u>8,310</u>	<u>7,865</u>

6. Auditor's remuneration

During the year, the Group obtained the following services from the Company's auditor:

	2022	2021
	£	£
Auditor's remuneration	26,500	22,000

7. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Wages and salaries	7,866,290	5,377,330	-	-
Social security costs	920,279	604,307	-	-
Cost of defined contribution scheme	126,148	94,059	-	-
	<u>8,912,717</u>	<u>6,075,696</u>	<u>-</u>	<u>-</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2022 No.	2021 No.
Administrative	<u>147</u>	<u>107</u>

The Company has no employees other than the director, who did not receive any remuneration (2021 - £NIL)

MEDIA ZOO HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

8. Directors' remuneration

	2022	<i>2021</i>
	£	<i>£</i>
Directors' emoluments	352,800	<i>319,200</i>
Group contributions to defined contribution pension schemes	2,640	<i>2,626</i>
	<u>355,440</u>	<i><u>321,826</u></i>

During the year retirement benefits were accruing to **1** director (*2021 - 1*) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £177,720 (*2021 - £181,725*).

9. Interest receivable

	2022	<i>2021</i>
	£	<i>£</i>
Other interest receivable	28,273	<i>5,000</i>
	<u>28,273</u>	<i><u>5,000</u></i>

10. Interest payable and similar expenses

	2022	<i>2021</i>
	£	<i>£</i>
Bank interest payable	219,522	<i>134,663</i>
Other loan interest payable	10,595	<i>12,126</i>
	<u>230,117</u>	<i><u>146,789</u></i>

MEDIA ZOO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

11. Taxation

	2022 £	2021 £
Corporation tax		
Current tax on profits for the year	153,858	238,169
Adjustments in respect of previous periods	-	(122,275)
	<u>153,858</u>	<u>115,894</u>
Total current tax	<u>153,858</u>	<u>115,894</u>
Deferred tax		
Origination and reversal of timing differences	12,279	86,528
	<u>12,279</u>	<u>86,528</u>
Total deferred tax	<u>12,279</u>	<u>86,528</u>
Taxation on profit on ordinary activities	<u>166,137</u>	<u>202,422</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2021 - lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Profit on ordinary activities before tax	<u>857,149</u>	<u>1,485,976</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	162,858	282,335
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	22,204	1,359
Capital allowances for year in excess of depreciation	(10,857)	(4,052)
Utilisation of tax losses	(9,867)	(14,333)
Adjustments to tax charge in respect of prior periods	-	(16,251)
Other timing differences leading to an increase (decrease) in taxation	12,279	86,528
Non-UK Corporation tax	(10,480)	(23,392)
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	-	(42,997)
Tax losses carried forward	-	1,390
Group relief	-	(68,165)
Total tax charge for the year	<u>166,137</u>	<u>202,422</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

11. Taxation (continued)

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

12. Intangible assets

Group and Company

	Patents £
Cost	
At 1 April 2021	270
	<hr/>
At 31 March 2022	270
	<hr/>
Net book value	
At 31 March 2022	270
	<hr/>
At 31 March 2021	270
	<hr/>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

13. Tangible fixed assets

Group

	Freehold property £	Long-term leasehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £
Cost					
At 1 April 2021	711,308	8,253,622	923,561	110,930	1,577,197
Additions	-	-	150,946	-	87,580
At 31 March 2022	711,308	8,253,622	1,074,507	110,930	1,664,777
Depreciation					
At 1 April 2021	-	-	678,127	19,224	514,079
Charge for the year on owned assets	-	106,409	53,170	-	84,079
Charge for the year on financed assets	-	-	68,534	25,981	10,525
At 31 March 2022	-	106,409	799,831	45,205	608,683
Net book value					
At 31 March 2022	711,308	8,147,213	274,676	65,725	1,056,094
At 31 March 2021	711,308	8,253,622	245,434	91,706	1,063,118

MEDIA ZOO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

13. Tangible fixed assets (continued)

	Total £
Cost	
At 1 April 2021	11,576,618
Additions	238,526
	<hr/>
At 31 March 2022	11,815,144
	<hr/>
Depreciation	
At 1 April 2021	1,211,430
Charge for the year on owned assets	243,658
Charge for the year on financed assets	105,040
	<hr/>
At 31 March 2022	1,560,128
	<hr/>
Net book value	
At 31 March 2022	<u>10,255,016</u>
<i>At 31 March 2021</i>	<u><u>10,365,188</u></u>

MEDIA ZOO HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

13. Tangible fixed assets (continued)

The net book value of land and buildings may be further analysed as follows:

	2022	2021
	£	£
Freehold	711,308	711,308
Long leasehold	8,147,213	8,253,622
	<u>8,858,521</u>	<u>8,964,930</u>

Paragraph 35.10(d) of FRS 102 provides an optional exemption from restating the value of the property based on its original cost. The group and company has decided not to continue its policy of revaluation as permitted by FRS 102. The revalued amount from the valuation as at 20 November 2015 is now used as its deemed cost. In order to comply with company law the revaluation reserve has been retained and any excess depreciation will be offset against it.

The property held by the company was sold shortly after the financial year end.

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2022	2021
	£	£
Plant and machinery	156,656	225,190
Motor vehicles	65,726	91,706
Furniture, fittings and equipment	21,051	31,576
	<u>243,433</u>	<u>348,472</u>

MEDIA ZOO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

13. Tangible fixed assets (continued)

Company

	Long-term leasehold property £	Fixtures and fittings £	Total £
Cost			
At 1 April 2021	715,000	158,473	873,473
At 31 March 2022	715,000	158,473	873,473
Depreciation			
At 1 April 2021	-	23,488	23,488
Charge for the year on owned assets	-	11,745	11,745
At 31 March 2022	-	35,233	35,233
Net book value			
At 31 March 2022	715,000	123,240	838,240
At 31 March 2021	715,000	134,985	849,985

The net book value of land and buildings may be further analysed as follows:

	2022 £	2021 £
Long leasehold	715,000	715,000
	715,000	715,000

MEDIA ZOO HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

14. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2021	584,200
	<hr/>
At 31 March 2022	584,200
	<hr/>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Media Zoo Limited	England	Ordinary	100 %
Media Zoo Properties Limited	England	Ordinary	100 %
Media Zoo Scotland Limited	Scotland	Ordinary	100 %
Media Zoo Scotland Properties Limited	Scotland	Ordinary	100 %
Media Zoo London Limited	England	Ordinary	100 %
Media Zoo Switzerland AG	Switzerland	Ordinary	100 %
Media Zoo US Inc	United States of America	Ordinary	100 %
Media Zoo Hong Kong Limited	Hong Kong	Ordinary	100 %

The above subsidiaries have been consolidated within the group financial statements.

MEDIA ZOO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

15. Debtors

	Group 2022 £	<i>Group 2021 £</i>	Company 2022 £	<i>Company 2021 £</i>
Due after more than one year				
Other debtors	1,616,320	500,000	1,616,320	500,000
	<u>1,616,320</u>	<u>500,000</u>	<u>1,616,320</u>	<u>500,000</u>
	Group 2022 £	<i>Group 2021 £</i>	Company 2022 £	<i>Company 2021 £</i>
Due within one year				
Trade debtors	3,368,425	2,673,237	27,974	5,000
Amounts owed by group undertakings	-	-	1,708,372	1,808,885
Other debtors	41,740	130,051	-	21,362
Prepayments and accrued income	313,040	76,177	224	106
	<u>3,723,205</u>	<u>2,879,465</u>	<u>1,736,570</u>	<u>1,835,353</u>

16. Cash and cash equivalents

	Group 2022 £	<i>Group 2021 £</i>	Company 2022 £	<i>Company 2021 £</i>
Cash at bank and in hand	6,772,639	4,404,602	1,136,694	1,736,791
	<u>6,772,639</u>	<u>4,404,602</u>	<u>1,136,694</u>	<u>1,736,791</u>

MEDIA ZOO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

17. Creditors: Amounts falling due within one year

	Group	<i>Group</i>	Company	<i>Company</i>
	2022	<i>2021</i>	2022	<i>2021</i>
	£	<i>£</i>	£	<i>£</i>
Bank loans	975,920	372,751	-	-
Trade creditors	600,875	364,508	2,152	22,781
Amounts owed to group undertakings	-	-	961,473	704,726
Corporation tax	386,353	474,403	26,495	23,886
Other taxation and social security	1,033,205	700,348	4,366	1,991
Obligations under finance lease and hire purchase contracts	86,016	109,868	-	-
Other creditors	559,185	420,268	-	-
Accruals and deferred income	2,597,105	724,425	22,870	15,800
	<u>6,238,659</u>	<u>3,166,571</u>	<u>1,017,356</u>	<u>769,184</u>

The following liabilities were secured:

	Group	<i>Group</i>
	2022	<i>2021</i>
	£	<i>£</i>
Bank loans	675,920	127,673
	<u>675,920</u>	<u>127,673</u>

Details of security provided:

Included within creditors falling due within one year are bank loans of £675,920 (2021 - £127,673) that are secured by fixed charges over the freehold and leasehold properties.

MEDIA ZOO HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

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

	Group 2022 £	<i>Group 2021 £</i>
Bank loans	7,236,423	6,707,861
Net obligations under finance leases and hire purchase contracts	25,847	111,863
	<u>7,262,270</u>	<u>6,819,724</u>

The following liabilities were secured:

	Group 2022 £	<i>Group 2021 £</i>
Bank loans	6,286,423	5,452,939
	<u>6,286,423</u>	<u>5,452,939</u>

Details of security provided:

Included within creditors falling due within one year are bank loans of £6,286,423 (2021 - £5,452,939) that are secured by fixed charges over the freehold and leasehold properties.

19. Loans

	Group 2022 £	<i>Group 2021 £</i>
Amounts falling due within one year		
Bank loans	975,920	372,751
Amounts falling due 2-5 years		
Bank loans	3,737,767	2,352,394
Amounts falling due after more than 5 years		
Bank loans	3,498,656	4,355,467
	<u>8,212,343</u>	<u>7,080,612</u>

MEDIA ZOO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

20. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2022 £	Group 2021 £
Within one year	86,016	109,868
Between 1-5 years	25,847	111,863
	<u>111,863</u>	<u>221,731</u>

21. Deferred taxation

Group

	2022 £	2021 £
At beginning of year	(620,236)	(533,708)
Charged to profit or loss	(111,116)	(88,823)
Utilised in year	(2,074)	2,295
At end of year	<u>(733,426)</u>	<u>(620,236)</u>

Company

	2022 £	2021 £
At beginning of year	(95,903)	(98,134)
Utilised in year	2,231	2,231
At end of year	<u>(93,672)</u>	<u>(95,903)</u>

The provision for deferred taxation is made up as follows:

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Accelerated capital allowances	(242,707)	(230,429)	(23,417)	(25,648)
Deferred tax on revaluation gains	(490,719)	(389,807)	(70,255)	(70,255)
	<u>(733,426)</u>	<u>(620,236)</u>	<u>(93,672)</u>	<u>(95,903)</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

22. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
91 (2021 - 91) Ordinary shares of £1.00 each	<u>91</u>	<u>91</u>

23. Reserves

Revaluation reserve

The revaluation reserve represents the cumulative effect of revaluations of tangible fixed assets where a policy of revaluation was previously adopted.

Paragraph 35.10(d) of FRS 102 provides an optional exemption from restating the value of the property based on its original cost. The group and company has decided not to continue its policy of revaluation as permitted by FRS 102. The revalued amount from the valuation as at 20 November 2015 is now used as its deemed cost. In order to comply with company law the revaluation reserve has been retained and any excess depreciation will be offset against it.

Profit and loss account

The profit and loss account represents cumulative profits and losses net of adjustments and dividends.

24. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £126,127 (2021 - £94,059). Contributions totalling £26,094 (2021 - £17,292) were payable to the fund at the balance sheet date and are included in creditors.

25. Transactions with directors

At the year end, the group was owed an amount of £40,704 (2021: £nil) by the directors serving during the year. The movement in the year represents expenses paid on behalf of the directors amounting to £40,489 (2021: £nil) and interest charged at the rate of 2% on the loan account of £215 (2021: £nil).

26. Directors' personal guarantees

M Killick and R Pendred, the directors serving during the year have provided a total limited guarantee of £62,000 to the company's bankers.

MEDIA ZOO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

27. Related party transactions

Mark Michael Limited

At the balance sheet date, Mark Michael Limited (a company in which Mark Killick is a director) owed £808,160 (2021 - £250,000) in convertible loans to Media Zoo Holdings Limited. During the year, interest of £13,380 (2021 - £2,500) was charged. At the balance sheet date, £13,380 (2021 - £2,500) of unpaid interest is included within Trade Debtors.

Solana Systems Limited

During the year, Solana Systems Limited charged fees for the provision of a variety of services of £196,367 (2021 - £158,112) to Media Zoo Limited. At the balance sheet date, Media Zoo Limited owed £16,896 (2021 - £16,560) to Solana Systems Limited.

At the balance sheet date, Solana Systems Limited (a company in which Rachel Pendered is a director) owed £808,160 (2021 - £250,000) in convertible loans to Media Zoo Holdings Limited. During the year, interest of £14,594 (2021 - £2,500) was charged. At the balance sheet date, £14,594 (2021 - £2,500) of unpaid interest is included within Trade Debtors.

Mark Killick Limited

During the year, Mark Killick Limited (a company in which Mark Killick is a director) charged fees for the provision of a variety of services of £208,752 (2021: £188,976) to Media Zoo Limited. At the balance sheet date, Media Zoo Limited owed £16,560 (2021: £16,560) to Mark Killick Limited.

28. Subsidiary Companies Exemption

The following companies are exempt from the requirement to be audited by virtue of Section 479A of The Companies Act 2006.

Media Zoo Scotland Limited (Registered Number SC550714)

Media Zoo Properties Limited (Registered Number 06681453)

Media Zoo Scotland Properties Limited (Registered Number SC577914)

Media Zoo London Limited (Registered Number 11986482)

29. Controlling party

The company is under the control of the directors and BGF Investment Management Limited.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.