Registered number: 09684955

MEDIA ZOO HOLDINGS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

TWP Accounting LLP
Chartered Accountants & Statutory Auditors
The Old Rectory
Church Street
Weybridge
Surrey
KT13 8DE

MEDIA ZOO HOLDINGS LIMITED

COMPANY INFORMATION

Directors	M Killick R Pendered
Company secretary	M Killick
Registered number	09684955
Registered office	15b 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

MEDIA ZOO HOLDINGS LIMITED

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MEDIA ZOO HOLDINGS LIMITED

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2021

Introduction

The directors present their strategic report for the trading year ending 31 March 2021.

Business review

The financial year was disrupted by the pandemic which resulted in a series of lockdowns, office closures and clients cutting back on spending. Despite this, the Media Zoo Group's three core divisions of Film, PR and Learning all performed well and continued to deliver excellent content in extremely challenging conditions.

Over the year, management focussed principally on reducing costs, delivering an ebitda of £1.8 million on turnover of £10.4 million. The Sunday Times named the group as one of the UK's 100 fastest growing businesses and morale held up well across all divisions.

Principal risks and uncertainties

Looking forward, the business is determined to get back to growth and has set out ambitious plans for the new financial year whilst managing risk wherever possible. These risks include the possibility of further pandemic challenges, Brexit related slowdowns and other geopolitical issues.

Financial key performance indicators

The Group's balance sheet now exceeds £7 million and has cash at bank of over £4 million, putting it in a strong position to manage any further turbulence. Group turnover before consolidation adjustments amounted to over £11 million.

Other key performance indicators

The business continues to retain its blue-chip client base, has strengthened its sales team and is reshaping its property portfolio to better align with its long-term needs.

This report was approved by the board on 29 Mar 2022 and signed on its behalf.

MARK KILLICK

Mark Killick (Mar 29, 2022, 11:07am)
M Killick
Director

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2021

The directors present their report and the financial statements for the year ended 31 March 2021.

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 £1,283,554 *(2020 - £1,519,158).*

The total distribution of dividends to the owners of the company for the year is £nil (2020 - £200,000).

Directors

The directors who served during the year were:

M Killick
R Pendered

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.

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.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Post balance sheet events

There have been no significant events affecting the group since the balance sheet date.

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 29 Mar 2022 and signed on its behalf.

MARK KILLICK

Mark Killick (Mar 29, 2022, 11:07am)

M Killick
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 2021, 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 2021 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.

Conclusions relating to going concern

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

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

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

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 2, 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

Phil Munk (Mar 29, 2022, 4:08pm)
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
Date: 29 Mar 2022

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £	*2020 £*
Turnover	3	**10,397,164**	*12,616,103*
Cost of sales		**(1,897,655)**	*(3,363,660)*
Gross profit		**8,499,509**	*9,252,443*
Administrative expenses		**(7,172,762)**	*(7,209,921)*
Other operating income	4	**301,018**	*3,500*
Other operating charges		**-**	*(32,225)*
Operating profit	5	**1,627,765**	*2,013,797*
Interest receivable and similar income	9	**5,000**	*5,000*
Interest payable and expenses	10	**(146,789)**	*(142,531)*
Profit before taxation		**1,485,976**	*1,876,266*
Tax on profit	11	**(202,422)**	*(357,108)*
Profit for the financial year		**1,283,554**	*1,519,158*
Total comprehensive income for the year		**1,283,554**	*1,519,158*
Profit for the year attributable to:			
Owners of the parent Company		**1,283,554**	*1,519,158*
		1,283,554	*1,519,158*
Total comprehensive income for the year attributable to:			
Owners of the parent Company		**1,283,554**	*1,519,158*
		1,283,554	*1,519,158*

The notes on pages 15 to 34 form part of these financial statements.

MEDIA ZOO HOLDINGS LIMITED
REGISTERED NUMBER: 09684955

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2021

	Note		2021 £		2020 £
Fixed assets					
Intangible assets	13		**270**		270
Tangible assets	14		**10,365,188**		10,365,360
			10,365,458		10,365,630
Current assets					
Debtors: amounts falling due after more than one year	16	**500,000**		500,000	
Debtors: amounts falling due within one year	16	**2,879,465**		2,678,562	
Cash at bank and in hand	17	**4,404,602**		1,486,111	
		7,784,067		4,664,673	
Creditors: amounts falling due within one year	18	**(3,166,571)**		(2,513,999)	
Net current assets			**4,617,496**		2,150,674
Total assets less current liabilities			**14,982,954**		12,516,304
Creditors: amounts falling due after more than one year	19		**(6,819,724)**		(5,723,156)
Provisions for liabilities					
Deferred taxation	22	**(620,236)**		(533,708)	
			(620,236)		(533,708)
Net assets			**7,542,994**		6,259,440
Capital and reserves					
Called up share capital	23		**91**		91
Revaluation reserve	24		**1,661,810**		1,661,810
Profit and loss account	24		**5,881,093**		4,597,539
			7,542,994		6,259,440

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 Mar 2022

MARK KILLICK

Mark Killick (Mar 29, 2022,
M Killick
Director

The notes on pages 15 to 34 form part of these financial statements.

MEDIA ZOO HOLDINGS LIMITED
REGISTERED NUMBER: 09684955

COMPANY BALANCE SHEET
AS AT 31 MARCH 2021

	Note		2021 £		2020 £
Fixed assets					
Intangible assets	13		**270**		270
Tangible assets	14		**849,985**		861,729
Investments	15		**584,200**		541,837
			1,434,455		1,403,836
Current assets					
Debtors: amounts falling due after more than one year	16	**500,000**		500,000	
Debtors: amounts falling due within one year	16	**1,835,353**		1,812,565	
Cash at bank and in hand	17	**1,736,791**		105,931	
		4,072,144		2,418,496	
Creditors: amounts falling due within one year	18	**(769,184)**		(977,443)	
Net current assets			**3,302,960**		1,441,053
Total assets less current liabilities			**4,737,415**		2,844,889
Provisions for liabilities					
Deferred taxation	22	**(95,903)**		(98,134)	
			(95,903)		(98,134)
Net assets			**4,641,512**		2,746,755
Capital and reserves					
Called up share capital	23		**91**		91
Revaluation reserve	24		**299,507**		299,507
Profit and loss account brought forward		**2,447,157**		2,294,785	
Profit for the year		**1,894,757**		352,372	
Other changes in the profit and loss account		**-**		(200,000)	
Profit and loss account carried forward			**4,341,914**		2,447,157
			4,641,512		2,746,755

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 Mar 2022

MARK KILLICK

M Killick (Mar 29, 2022, 11:07am)
Director

The notes on pages 15 to 34 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2019	91	1,661,810	3,278,381	4,940,282
Comprehensive income for the year				
Profit for the year	-	-	1,519,158	1,519,158
Dividends: Equity capital	-	-	(200,000)	(200,000)
At 1 April 2020	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
At 31 March 2021	91	1,661,810	5,881,093	7,542,994

The notes on pages 15 to 34 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2019	**91**	**299,507**	**2,294,785**	**2,594,383**
Comprehensive income for the year				
Profit for the year	-	-	**352,372**	**352,372**
Dividends: Equity capital	-	-	**(200,000)**	**(200,000)**
At 1 April 2020	**91**	**299,507**	**2,447,157**	**2,746,755**
Comprehensive income for the year				
Profit for the year	-	-	**1,894,757**	**1,894,757**
At 31 March 2021	**91**	**299,507**	**4,341,914**	**4,641,512**

The notes on pages 15 to 34 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

	2021 £	2020 £
Cash flows from operating activities		
Profit for the financial year	**1,283,554**	*1,519,158*
Adjustments for:		
Depreciation of tangible assets	**214,717**	*170,221*
Loss on disposal of tangible assets	**(592)**	-
Interest paid	**146,789**	*142,531*
Interest received	**(5,000)**	*(5,000)*
Taxation charge	**202,422**	*391,643*
(Increase) in debtors	**(200,906)**	*(481,597)*
Increase/(decrease) in creditors	**258,598**	*(365,584)*
Corporation tax received/(paid)	-	*(192,208)*
Net cash generated from operating activities	**1,899,582**	*1,179,164*
Cash flows from investing activities		
Purchase of tangible fixed assets	**(214,658)**	*(4,890,214)*
Sale of tangible fixed assets	**708**	-
Interest received	**5,000**	*5,000*
Net cash from investing activities	**(208,950)**	*(4,885,214)*
Cash flows from financing activities		
Increase in secured loans	**1,379,328**	*2,790,030*
(Repayment of)/new finance leases	**(4,680)**	*104,197*
Dividends paid	-	*(200,000)*
Interest paid	**(146,789)**	*(142,531)*
Net cash used in financing activities	**1,227,859**	*2,551,696*
Net increase/(decrease) in cash and cash equivalents	**2,918,491**	*(1,154,354)*
Cash and cash equivalents at beginning of year	**1,486,111**	*2,640,465*
Cash and cash equivalents at the end of year	**4,404,602**	*1,486,111*
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	**4,404,602**	*1,486,111*
	4,404,602	*1,486,111*

The notes on pages 15 to 34 form part of these financial statements.

CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 MARCH 2021

	At 1 April 2020 £	Cash flows £	New finance leases £	At 31 March 2021 £
Cash at bank and in hand	1,486,111	2,918,491	-	4,404,602
Debt due after 1 year	(5,592,262)	(1,115,599)	-	(6,707,861)
Debt due within 1 year	(128,637)	(261,406)	-	(390,043)
Finance leases	(226,411)	95,515	(90,835)	(221,731)
	(4,461,199)	1,637,001	(90,835)	(2,915,033)

The notes on pages 15 to 34 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

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.

2. Accounting policies (continued)

2.4 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.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

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.

2.5 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.

2.6 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 transition 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. Accounting policies (continued)

2.7 Interest income

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

2.8 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.

2.9 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

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.

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. Accounting policies (continued)

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.

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 it's 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 it's 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. Accounting policies (continued)

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.

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.

2.20 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Turnover

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

	2021 £	2020 £
Media services	**10,397,164**	*12,616,103*
	10,397,164	*12,616,103*

	2021 £	2020 £
United Kingdom	**10,038,155**	*12,598,753*
Rest of Europe	**359,009**	-
Rest of the world	-	*17,350*
	10,397,164	*12,616,103*

4. Other operating income

	2021 £	2020 £
Government grants receivable	**161,387**	*3,500*
Insurance claims receivable	**139,631**	-
	301,018	*3,500*

5. Operating profit

The operating profit is stated after charging:

	2021 £	2020 £
Exchange differences	**2,868**	*(1,330)*
Other operating lease rentals	**7,865**	*10,046*

NOTES TO THE FINANCIAL STATEMENTS
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6. Auditor's remuneration

	2021 £	*2020 £*
Auditor's remuneration	**14,000**	*14,000*

Fees payable to the Group's auditor and its associates in respect of:

	2021 £	*2020 £*
Audit-related assurance services	**22,000**	*14,000*
	22,000	*14,000*

7. Employees

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

	Group 2021 £	*Group 2020 £*	Company 2021 £	*Company 2020 £*
Wages and salaries	**5,377,330**	*5,137,773*	-	-
Social security costs	**604,307**	*577,235*	-	-
Cost of defined contribution scheme	**94,059**	*100,628*	-	-
	6,075,696	*5,815,636*	-	-

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

	2021 No.	*2020 No.*
Administrative	**107**	*111*

The Company has no employees other than the director, who did not receive any remuneration *(2020 - £NIL)*

8. Directors' remuneration

	2021 £	*2020 £*
Directors' emoluments	**319,200**	*336,000*
Group contributions to defined contribution pension schemes	**2,626**	*2,632*
	321,826	*338,632*

During the year retirement benefits were accruing to 1 director *(2020 - 1)* in respect of defined contribution pension schemes.

The highest paid director received remuneration of £181,725 *(2020 - £191,309)*.

9. Interest receivable

	2021 £	*2020 £*
Other interest receivable	**5,000**	*5,000*
	5,000	*5,000*

10. Interest payable and similar expenses

	2021 £	*2020 £*
Bank interest payable	**134,663**	*142,531*
Other loan interest payable	**12,126**	*-*
	146,789	*142,531*

11. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	**238,169**	*363,039*
Adjustments in respect of previous periods	**(122,275)**	*(34,535)*
	115,894	*328,504*
Total current tax	**115,894**	*328,504*
Deferred tax		
Origination and reversal of timing differences	**86,528**	*28,604*
Total deferred tax	**86,528**	*28,604*
Taxation on profit on ordinary activities	**202,422**	*357,108*

Factors affecting tax charge for the year

The tax assessed for the year is lower than *(2020 - higher than)* the standard rate of corporation tax in the UK of 19% *(2020 - 19%)*. The differences are explained below:

	2021 £	2020 £
Profit on ordinary activities before tax	**1,485,976**	*1,876,266*
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	**282,335**	*356,491*
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**1,359**	*1,635*
Capital allowances for year in excess of depreciation	**(4,052)**	*(18,830)*
Utilisation of tax losses	**(14,333)**	-
Adjustments to tax charge in respect of prior periods	**(16,251)**	-
Other timing differences leading to an increase (decrease) in taxation	**86,528**	*35,166*
Non-UK Corporation tax	**(23,392)**	-
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	**(42,997)**	*(34,535)*
Tax losses carried forward	**1,390**	*17,181*
Group relief	**(68,165)**	-
Total tax charge for the year	**202,422**	*357,108*

11. Taxation (continued)

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

12. Dividends

	2021 £	*2020* *£*
Dividends paid to owners	-	*200,000*
	-	*200,000*

13. Intangible assets

Group and Company

	Patents £
Cost	
At 1 April 2020	270
At 31 March 2021	270
Net book value	
At 31 March 2021	270
At 31 March 2020	*270*

14. Tangible fixed assets

Group

	Freehold property £	Long-term leasehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost						
At 1 April 2020	711,308	8,253,622	772,221	58,490	1,566,585	11,362,226
Additions	-	-	151,606	52,440	10,612	214,658
Disposals	-	-	(266)	-	-	(266)
At 31 March 2021	711,308	8,253,622	923,561	110,930	1,577,197	11,576,618
Depreciation						
At 1 April 2020	-	-	565,721	2,828	428,317	996,866
Charge for the year on owned assets	-	-	44,021	-	75,237	119,258
Charge for the year on financed assets	-	-	68,535	16,396	10,525	95,456
Disposals	-	-	(150)	-	-	(150)
At 31 March 2021	-	-	678,127	19,224	514,079	1,211,430
Net book value						
At 31 March 2021	711,308	8,253,622	245,434	91,706	1,063,118	10,365,188
At 31 March 2020	*711,308*	*8,253,622*	*206,500*	*55,662*	*1,138,268*	*10,365,360*

14. Tangible fixed assets (continued)

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

	2021 £	2020 £
Freehold	**711,308**	*711,308*
Long leasehold	**8,253,622**	*8,253,622*
	8,964,930	*8,964,930*

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

	2021 £	2020 £
Plant and machinery	**225,190**	*154,611*
Motor vehicles	**91,706**	*55,662*
Furniture, fittings and equipment	**31,576**	*42,101*
	348,472	*252,374*

14. Tangible fixed assets (continued)

Company

	Long-term leasehold property £	Fixtures and fittings £	Total £
Cost			
At 1 April 2020	**715,000**	**158,473**	**873,473**
At 31 March 2021	**715,000**	**158,473**	**873,473**
Depreciation			
At 1 April 2020	-	**11,744**	**11,744**
Charge for the year on owned assets	-	**11,744**	**11,744**
At 31 March 2021	-	**23,488**	**23,488**
Net book value			
At 31 March 2021	**715,000**	**134,985**	**849,985**
At 31 March 2020	*715,000*	*146,729*	*861,729*

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

	2021 £	*2020* £
Long leasehold	**715,000**	*715,000*
	715,000	*715,000*

15. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2020	541,837
Additions	42,363
At 31 March 2021	584,200

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.

16. Debtors

	Group 2021 £	*Group 2020 £*	Company 2021 £	*Company 2020 £*
Due after more than one year				
Other debtors	**500,000**	*500,000*	**500,000**	*500,000*
	500,000	*500,000*	**500,000**	*500,000*

	Group 2021 £	*Group 2020 £*	Company 2021 £	*Company 2020 £*
Due within one year				
Trade debtors	**2,673,237**	*2,539,162*	**5,000**	*5,000*
Amounts owed by group undertakings	**-**	*-*	**1,808,885**	*1,807,406*
Other debtors	**130,051**	*24,009*	**21,362**	*-*
Prepayments and accrued income	**76,177**	*115,391*	**106**	*159*
	2,879,465	*2,678,562*	**1,835,353**	*1,812,565*

17. Cash and cash equivalents

	Group 2021 £	*Group 2020 £*	Company 2021 £	*Company 2020 £*
Cash at bank and in hand	**4,404,602**	*1,486,111*	**1,736,791**	*105,931*
	4,404,602	*1,486,111*	**1,736,791**	*105,931*

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FOR THE YEAR ENDED 31 MARCH 2021

18. Creditors: Amounts falling due within one year

	Group 2021 £	*Group 2020 £*	Company 2021 £	*Company 2020 £*
Bank loans	**372,751**	*109,022*	-	-
Trade creditors	**364,508**	*545,679*	**22,781**	*86*
Amounts owed to group undertakings	-	-	**704,726**	*946,945*
Corporation tax	**474,403**	*358,509*	**23,886**	*11,156*
Other taxation and social security	**700,348**	*926,921*	**1,991**	*3,456*
Obligations under finance lease and hire purchase contracts	**109,868**	*95,517*	-	-
Other creditors	**420,268**	*410,753*	-	-
Accruals and deferred income	**724,425**	*67,598*	**15,800**	*15,800*
	3,166,571	*2,513,999*	**769,184**	*977,443*

The following liabilities were secured:

	Group 2021 £	*Group 2020 £*
Bank loans	**127,673**	*109,022*
	127,673	*109,022*

Details of security provided:

Included within creditors falling due within one year are bank loans of £127,673 (2020 - £109,022) that are secured by fixed charges over the freehold and leasehold properties.

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

	Group 2021 £	*Group 2020 £*
Bank loans	**6,707,861**	*5,592,262*
Net obligations under finance leases and hire purchase contracts	**111,863**	*130,894*
	6,819,724	*5,723,156*

The following liabilities were secured:

	Group 2021 £	*Group 2020 £*
Bank loans	**5,452,939**	*5,592,262*
	5,452,939	*5,592,262*

Details of security provided:

Included within creditors falling due within one year are bank loans of £5,452,939 (2020 - £5,592,262) that are secured by fixed charges over the freehold and leasehold properties.

20. Loans

	Group 2021 £	*Group 2020 £*
Amounts falling due within one year		
Bank loans	**372,751**	*109,022*
Amounts falling due 2-5 years		
Bank loans	**2,352,394**	*1,121,180*
Amounts falling due after more than 5 years		
Bank loans	**4,355,467**	*4,471,082*
	7,080,612	*5,701,284*

21. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2021 £	*Group 2020 £*
Within one year	**109,868**	*95,517*
Between 1-5 years	**111,863**	*130,893*
	221,731	*226,410*

22. Deferred taxation

Group

	2021 £	*2020 £*
At beginning of year	**(533,708)**	*(505,104)*
Charged to profit or loss	**(88,823)**	*(30,835)*
Utilised in year	**2,295**	*2,231*
At end of year	**(620,236)**	*(533,708)*

Company

	2021 £	*2020 £*
At beginning of year	**(98,134)**	*(100,365)*
Utilised in year	**2,231**	*2,231*
At end of year	**(95,903)**	*(98,134)*

The provision for deferred taxation is made up as follows:

	Group 2021 £	*Group 2020 £*	**Company 2021 £**	*Company 2020 £*
Accelerated capital allowances	**(230,429)**	*(143,901)*	**(25,648)**	*(27,879)*
Deferred tax on revaluation gains	**(389,807)**	*(389,807)*	**(70,255)**	*(70,255)*
	(620,236)	*(533,708)*	**(95,903)**	*(98,134)*

23. Share capital

	2021	2020
	£	£
Allotted, called up and fully paid		
91 *(2020 - 91)* Ordinary shares of £1.00 each	**91**	*91*

24. 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.

25. 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 £94,542 (2020 - £100,628). Contributions totalling £17,292 (2020 - £19,615) were payable to the fund at the balance sheet date and are included in creditors.

26. Related party transactions

Foxboro Properties Limited
During the year, Foxboro Properties Limited (a company in which M Killick is a director) charged fees for the provision of a variety of services of £nil (2020 - £60,000) to Media Zoo Limited. At the balance sheet date, Foxboro Properties Limited owed £nil (2020 - £nil) to Media Zoo Limited.

Mark Michael Limited
At the balance sheet date, Mark Michael Limited (a company in which M Killick is a director) owed £250,000 (2020 - £250,000) in convertible loans to Media Zoo Holdings Limited. During the year, interest of £2,500 (2020 - £2,500) was charged. At the balance sheet date, £2,500 (2020 - £2,500) of unpaid interest is included within Trade Debtors.

Solana Systems Limited
At the balance sheet date, Solana Systems Limited (a company in which R Pendered is a director) owed £250,000 (2020 - £250,000) in convertible loans to Media Zoo Holdings Limited. During the year, interest of £2,500 (2020 - £2,500) was charged. At the balance sheet date, £2,500 (2020 - £2,500) of unpaid interest is included within Trade Debtors.

During the year, Solana Systems Limited charged fees for the provision of a variety of services of £158,112 (2020 - £335,209) to Media Zoo Limited. At the balance sheet date, Media Zoo Limited owed £16,560 (2020 - £16,560) to Solana Systems Limited.

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 £188,976 (2020: £289,884) to Media Zoo Limited. At the balance sheet date, Media Zoo Limited owed £16,560 (2020: £16,752) to Mark Killick Limited.

27. 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)

28. Controlling party

The company is under the control of the directors.