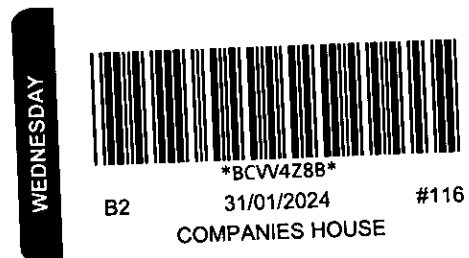


MEDIA ZOO HOLDINGS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023



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 (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

MEDIA ZOO HOLDINGS LIMITED

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MEDIA ZOO HOLDINGS LIMITED

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2023

Introduction

The directors present their strategic report for the financial year ending 31 March 2023.

Business review

The group's principal activities during the year were the provision of communication, production, content creation and learning & development services.

The year under review posed challenging market conditions for the business with increasing costs resulting in an operating loss of £2.8million. Whilst the financial year ended March 2023 was disappointing, current trading is positive.

Principal risks and uncertainties

As with any business, the group may be affected by several 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 can deliver profit growth opportunities 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

At the beginning of the financial year, 40% of the shares in Media Zoo Holdings were acquired by funds managed by BGF Investment Management Limited a Growth Capital Investor.

This has helped the group with the successful acquisition of Finer Vision Holdings Limited (a digital company). The introduction of Finer Vision Holdings Limited to the group has improved the digital product offering and allowed the group to stay competitive in the digital market.

Financial key performance indicators

The group revenue increased to £16,503,604 from £14,656,024 and deferred income amounted to £2,037,173 at year end. Management has invested in an enhanced project management tool in January 2023 to give the business the ability to track and better manage ongoing project work which is resulting in efficiencies in the current trading year.

MEDIA ZOO HOLDINGS LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

Other key performance indicators

The improvement in our project management software is helping each business unit to manage its project visibility, resources allocation, and profitability.

Post Year End Events

Shortly after the financial year ended March 2023, the co-founders and CFO left their respective roles, and a new CEO and interim CFO were appointed. The business has since worked closely with their secured lender and equity investor with a view to restructuring the business to better exploit market opportunities and to return to growth.

This report was approved by the board on 29 Jan 2024 and signed on its behalf.



Andrew McRae (Jan 29, 2024, 6:55pm)

A J McRae
Director

MEDIA ZOO HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2023

The directors present their report and the financial statements for the year ended 31 March 2023.

Principal activity

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

Results and dividends

The loss for the year, after taxation, amounted to £3,722,135 (2022 - profit £691,012).

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)
S E Ledwidge (appointed 20 April 2022)
A J McRae (appointed 20 April 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.

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 2023**

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 29 Jan 2024

and signed on its behalf.



Andrew McRae (Jan 29, 2024, 6:55pm)

A J McRae
Director

MEDIA ZOO HOLDINGS LIMITED

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 2023, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity, the 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 2023 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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.

MEDIA ZOO HOLDINGS LIMITED

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.

MEDIA ZOO HOLDINGS LIMITED

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 minutes of meetings of those charged with governance.
- 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.

MEDIA ZOO HOLDINGS LIMITED

**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 (Jan 30, 2024, 12:29pm)

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:

30 Jan 2024

MEDIA ZOO HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023**

	Note	2023 £	2022 £
Turnover	3	16,503,604	14,656,024
Cost of sales		(4,234,615)	(3,104,817)
Gross profit		12,268,989	11,551,207
Administrative expenses		(15,056,878)	(10,506,030)
Other operating income	4	2,056	13,962
Other operating charges		-	(146)
Operating (loss)/profit	5	(2,785,833)	1,058,993
Interest receivable and similar income	9	1,439	28,273
Interest payable and expenses	10	(867,191)	(230,117)
(Loss)/profit before taxation		(3,651,585)	857,149
Tax on (loss)/profit	11	(70,550)	(166,137)
(Loss)/profit for the financial year		(3,722,135)	691,012
Unrealised (deficit)/surplus on revaluation of tangible fixed assets		(369,762)	-
Impairment on property		(614,477)	-
Deferred tax on property		223,874	(100,911)
Other comprehensive income for the year		(760,365)	(100,911)
Total comprehensive income for the year		(4,482,500)	590,101
(Loss)/profit for the year attributable to:			
Owners of the parent Company		(3,722,135)	691,012
		(3,722,135)	691,012

The notes on pages 18 to 43 form part of these financial statements.


MEDIA ZOO HOLDINGS LIMITED
REGISTERED NUMBER: 09684955

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	14	2,335,300	270
Tangible assets	15	7,862,430	10,255,016
		<u>10,197,730</u>	<u>10,255,286</u>
Current assets			
Debtors: amounts falling due after more than one year	17	-	1,616,320
Debtors: amounts falling due within one year	17	3,975,227	3,723,205
Cash at bank and in hand	18	5,189,804	6,772,639
		<u>9,165,031</u>	<u>12,112,164</u>
Creditors: amounts falling due within one year	19	(6,403,589)	(6,238,659)
Net current assets		<u>2,761,442</u>	<u>5,873,505</u>
Total assets less current liabilities		<u>12,959,172</u>	<u>16,128,791</u>
Creditors: amounts falling due after more than one year	20	(11,296,544)	(7,262,270)
Provisions for liabilities			
Deferred taxation	23	(545,267)	(733,426)
		<u>(545,267)</u>	<u>(733,426)</u>
Net assets		<u><u>1,117,361</u></u>	<u><u>8,133,095</u></u>
Capital and reserves			
Called up share capital	24	91	91
Revaluation reserve	25	800,534	1,560,899
Profit and loss account	25	316,736	6,572,105
		<u>1,117,361</u>	<u>8,133,095</u>

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

29 Jan 2024


Andrew McRae (Jan 29, 2024, 6:55pm)
A J McRae
Director

The notes on pages 18 to 43 form part of these financial statements.

MEDIA ZOO HOLDINGS LIMITED
REGISTERED NUMBER: 09684955

COMPANY BALANCE SHEET
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	14	270	270
Tangible assets	15	-	838,240
Investments	16	3,384,200	584,200
		<u>3,384,470</u>	<u>1,422,710</u>
Current assets			
Debtors: amounts falling due after more than one year	17	-	1,616,320
Debtors: amounts falling due within one year	17	1,708,372	1,736,570
Cash at bank and in hand	18	1,552,257	1,136,694
		<u>3,260,629</u>	<u>4,489,584</u>
Creditors: amounts falling due within one year	19	(840,975)	(1,017,356)
Net current assets		<u>2,419,654</u>	<u>3,472,228</u>
Total assets less current liabilities		<u>5,804,124</u>	<u>4,894,938</u>
Creditors: amounts falling due after more than one year	20	(5,000,000)	-
Provisions for liabilities			
Deferred taxation	23	-	(93,672)
		<u>-</u>	<u>(93,672)</u>
Net assets		<u><u>804,124</u></u>	<u><u>4,801,266</u></u>
Capital and reserves			
Called up share capital	24	91	91
Revaluation reserve	25	-	299,507
Profit and loss account brought forward		4,501,668	4,341,914
Loss/(profit) for the year		(1,164,401)	159,754
Other changes in the profit and loss account		(2,533,234)	-
		<u>804,033</u>	<u>4,501,668</u>
Profit and loss account carried forward		<u><u>804,124</u></u>	<u><u>4,801,266</u></u>

MEDIA ZOO HOLDINGS LIMITED
REGISTERED NUMBER: 09684955

COMPANY BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2023

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

29 Jan 2024

A J McRae
Director


Andrew McRae (Jan 29, 2024, 6:55pm)

The notes on pages 18 to 43 form part of these financial statements.

MEDIA ZOO HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023**

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2019	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)
At 1 April 2022	91	1,560,899	6,572,105	8,133,095
Comprehensive income for the year				
Loss for the year	-	-	(3,722,135)	(3,722,135)
Deficit on revaluation of leasehold property	-	(369,762)	70,255	(299,507)
Impairment on property	-	(614,477)	-	(614,477)
Deferred tax on revaluation	-	223,874	-	223,874
Contributions by and distributions to owners				
<i>Dividends: Equity capital</i>	-	-	(2,603,489)	(2,603,489)
At 31 March 2023	91	800,534	316,736	1,117,361

The notes on pages 18 to 43 form part of these financial statements.

MEDIA ZOO HOLDINGS LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023**

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2019	91	299,507	4,341,914	4,641,512
Comprehensive income for the year				
Profit for the year	-	-	159,754	159,754
At 1 April 2022	91	299,507	4,501,668	4,801,266
Comprehensive income for the year				
Loss for the year	-	-	(1,164,401)	(1,164,401)
Deficit on revaluation of leasehold property	-	(369,762)	70,255	(299,507)
Deferred tax on revaluation	-	70,255	-	70,255
Contributions by and distributions to owners				
Dividends: Equity capital	-	-	(2,603,489)	(2,603,489)
At 31 March 2023	91	-	804,033	804,124

The notes on pages 18 to 43 form part of these financial statements.

MEDIA ZOO HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023**

	2023	2022
	£	£
Cash flows from operating activities		
(Loss)/profit for the financial year	(3,722,135)	691,012
Adjustments for:		
Amortisation of intangible assets	101,523	-
Depreciation of tangible assets	267,206	348,664
Impairments of fixed assets	860,212	-
Loss on disposal of tangible assets	(15,746)	-
Interest paid	867,191	230,117
Interest received	(1,439)	(28,273)
Taxation charge	70,550	166,137
Decrease/(increase) in debtors	1,170,478	(1,945,775)
Increase in creditors	5,362,513	2,566,570
Corporation tax (paid)	(235,667)	(241,908)
Net cash generated from operating activities	4,724,686	1,786,544
Cash flows from investing activities		
Purchase of intangible fixed assets	(2,436,553)	-
Purchase of tangible fixed assets	(213,312)	(238,526)
Sale of tangible fixed assets	837,848	-
Interest received	1,439	28,273
Net cash from investing activities	(1,810,578)	(210,253)

MEDIA ZOO HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

	2023	2022
	£	£
Cash flows from financing activities		
Increase in secured loans	-	1,131,731
Repayment of loans	(940,248)	-
(Repayment of)/new finance leases	(86,015)	(109,868)
Dividends paid	(2,603,489)	-
Interest paid	(867,191)	(230,117)
Net cash used in financing activities	(4,496,943)	791,746
Net (decrease)/increase in cash and cash equivalents	(1,582,835)	2,368,037
Cash and cash equivalents at beginning of year	6,772,639	4,404,602
Cash and cash equivalents at the end of year	5,189,804	6,772,639
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	5,189,804	6,772,639
	5,189,804	6,772,639

The notes on pages 18 to 43 form part of these financial statements.

MEDIA ZOO HOLDINGS LIMITED

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 MARCH 2023**

	At 1 April 2022 £	Cash flows £	At 31 March 2023 £
Cash at bank and in hand	6,772,639	(1,582,835)	5,189,804
Debt due after 1 year	(7,236,423)	939,879	(6,296,544)
Debt due within 1 year	(1,002,014)	(2,807)	(1,004,821)
Finance leases	(111,863)	86,015	(25,848)
	<u>(1,577,661)</u>	<u>(559,748)</u>	<u>(2,137,409)</u>

The notes on pages 18 to 43 form part of these financial statements.

MEDIA ZOO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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.

MEDIA ZOO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.4 Going concern

The Group made a loss for the financial year of £3,722,135 (2022: profit of £691,012), and at the balance sheet date, its net assets had reduced from £8,133,095 to £1,117,361. The directors are confident that the Group and Company has adequate resources to continue in operational existence for the foreseeable future and meet its financial obligations. Therefore they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

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.

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.

MEDIA ZOO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

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.

MEDIA ZOO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Consolidated Statement of Comprehensive Income over its useful economic life.

Other 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.

MEDIA ZOO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.15 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.16 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.

MEDIA ZOO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.17 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.

2.18 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.

2.19 Provisions for liabilities

Provisions are recognised when an event has taken place that gives rise to a legal or constructive obligation, a transfer of economic benefits is probable and a reliable estimate can be made.

Provisions are measured as the best estimate of the amount required to settle the obligation, taking into account the related risks and uncertainties.

Increases in provisions are generally charged as an expense to profit or loss.

2.20 Financial instruments

The Group has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

The Group has elected to apply the recognition and measurement provisions of IFRS 9 Financial Instruments (as adopted by the UK Endorsement Board) with the disclosure requirements of Sections 11 and 12 and the other presentation requirements of FRS 102.

Financial instruments are recognised in the Group's Balance Sheet when the Group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

Other financial assets

Other financial assets, which includes investments in equity instruments which are not classified as

MEDIA ZOO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.20 Financial instruments (continued)

subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the recognised transaction price. Such assets are subsequently measured at fair value with the changes in fair value being recognised in the profit or loss. Where other financial assets are not publicly traded, hence their fair value cannot be measured reliably, they are measured at cost less impairment.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date.

Financial assets are impaired when events, subsequent to their initial recognition, indicate the estimated future cash flows derived from the financial asset(s) have been adversely impacted. The impairment loss will be the difference between the current carrying amount and the present value of the future cash flows at the asset(s) original effective interest rate.

If there is a favourable change in relation to the events surrounding the impairment loss then the impairment can be reviewed for possible reversal. The reversal will not cause the current carrying amount to exceed the original carrying amount had the impairment not been recognised. The impairment reversal is recognised in the profit or loss.

Financial liabilities

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

Basic financial liabilities, which include trade and other payables, bank loans, other loans and loans due to fellow group companies are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

Debt instruments are subsequently carried at their amortised cost using the effective interest rate method.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade payables are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Other financial instruments

Derivatives, including forward exchange contracts, futures contracts and interest rate swaps, are not classified as basic financial instruments. These are initially recognised at fair value on the date the derivative contract is entered into, with costs being charged to the profit or loss. They are subsequently measured at fair value with changes in the profit or loss.

Debt instruments that do not meet the conditions as set out in FRS 102 paragraph 11.9 are subsequently measured at fair value through the profit or loss. This recognition and measurement would also apply to financial instruments where the performance is evaluated on a fair value basis as with a documented risk management or investment strategy.

Derecognition of financial instruments

MEDIA ZOO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.20 Financial instruments (continued)

Derecognition of financial assets

Financial assets are derecognised when their contractual right to future cash flow expire, or are settled, or when the Group transfers the asset and substantially all the risks and rewards of ownership to another party. If significant risks and rewards of ownership are retained after the transfer to another party, then the Group will continue to recognise the value of the portion of the risks and rewards retained.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Group's contractual obligations expire or are discharged or cancelled.

2.21 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:

	2023 £	2022 £
Media services	16,503,604	14,656,024
	<u>16,503,604</u>	<u>14,656,024</u>
	2023 £	2022 £
United Kingdom	16,503,604	14,255,649
Rest of Europe	-	400,375
	<u>16,503,604</u>	<u>14,656,024</u>

MEDIA ZOO HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

4. Other operating income

	2023 £	2022 £
Government grants receivable	-	11,524
Insurance claims receivable	2,056	-
Sundry income	-	2,438
	<u>2,056</u>	<u>13,962</u>

5. Operating (loss)/profit

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

	2023 £	2022 £
Exchange differences	(11,065)	(17,778)
Other operating lease rentals	(5,193)	8,310
	<u>(16,258)</u>	<u>(9,468)</u>

6. Auditor's remuneration

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

	2023 £	2022 £
Auditor's remuneration	49,500	26,500
	<u>49,500</u>	<u>26,500</u>

MEDIA ZOO HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

7. Staff costs

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

	Group 2023 £	<i>Group 2022 £</i>	Company 2023 £	<i>Company 2022 £</i>
Wages and salaries	10,008,176	7,866,290	-	-
Social security costs	1,194,476	920,279	-	-
Cost of defined contribution scheme	160,728	126,148	-	-
	<u>11,363,380</u>	<u>8,912,717</u>	<u>-</u>	<u>-</u>

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

	2023 No.	<i>2022 No.</i>
Administrative	<u>170</u>	<u>147</u>

The Company has no employees other than the directors, who did not receive any remuneration (2022 - £NIL)

8. Directors' remuneration

	2023 £	<i>2022 £</i>
Directors' emoluments	830,511	352,800
Group contributions to defined contribution pension schemes	4,916	2,640
	<u>835,427</u>	<u>355,440</u>

The highest paid director received remuneration of £389,884 (2022 - £177,720).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £2,128 (2022 - £1,320).

9. Interest receivable

	2023 £	<i>2022 £</i>
Other interest receivable	1,439	28,273
	<u>1,439</u>	<u>28,273</u>

MEDIA ZOO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

10. Interest payable and similar expenses

	2023 £	2022 £
Bank interest payable	384,677	219,522
Other loan interest payable	482,514	10,595
	<u>867,191</u>	<u>230,117</u>

11. Taxation

	2023 £	2022 £
Corporation tax		
Current tax on profits for the year	246	153,858
Adjustments in respect of previous periods	34,589	-
	<u>34,835</u>	<u>153,858</u>
Total current tax	<u>34,835</u>	<u>153,858</u>
Deferred tax		
Origination and reversal of timing differences	35,715	12,279
Total deferred tax	<u>35,715</u>	<u>12,279</u>
Taxation on profit on ordinary activities	<u>70,550</u>	<u>166,137</u>

MEDIA ZOO HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2022 - *higher than*) the standard rate of corporation tax in the UK of 19% (2022 - 19%). The differences are explained below:

	2023 £	2022 £
(Loss)/profit on ordinary activities before tax	<u>(3,651,585)</u>	<u>857,149</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022 - 19%)	(693,801)	162,858
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	49,248	22,204
Capital allowances for year in excess of depreciation	9,279	(10,857)
Utilisation of tax losses	(2,164)	(9,867)
Adjustments to tax charge in respect of prior periods	34,589	-
Other timing differences leading to an increase (decrease) in taxation	35,715	12,279
Goodwill amortisation and impairment	182,730	-
Non-UK Corporation tax	(8,241)	(10,480)
Capital gains	6,541	-
Tax losses carried forward	518,415	-
Group relief	(61,761)	-
Total tax charge for the year	<u><u>70,550</u></u>	<u><u>166,137</u></u>

Factors that may affect future tax charges

The current standard rate of corporation tax is 19%. The Finance Bill 2021, which was enacted in May 2021 will increase to taxable profits from the financial year beginning 1 April 2023 to 25%. This could lead to an increase in future tax charges.

12. Parent company profit for the year

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 loss after tax of the parent Company for the year was £1,164,401 (2022 - *profit* £159,754).

MEDIA ZOO HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

13. Dividends

	2023 £	2022 £
Dividends paid to owners	2,603,489	-
	<u>2,603,489</u>	<u>-</u>

14. Intangible assets

Group and Company

	Patents £	Goodwill £	Total £
Cost			
At 1 April 2022	270	-	270
Additions	-	2,436,553	2,436,553
At 31 March 2023	<u>270</u>	<u>2,436,553</u>	<u>2,436,823</u>
Amortisation			
Charge for the year on owned assets	-	101,523	101,523
At 31 March 2023	<u>-</u>	<u>101,523</u>	<u>101,523</u>
Net book value			
At 31 March 2023	<u>270</u>	<u>2,335,030</u>	<u>2,335,300</u>
At 31 March 2022	<u>270</u>	<u>-</u>	<u>270</u>

MEDIA ZOO HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

15. Tangible fixed assets

Group

	Freehold property £	Long-term leasehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £
Cost					
At 1 April 2022	711,308	8,253,622	1,074,507	110,930	1,664,777
Additions	-	-	206,169	-	7,143
Disposals	-	(715,000)	-	-	(158,473)
At 31 March 2023	<u>711,308</u>	<u>7,538,622</u>	<u>1,280,676</u>	<u>110,930</u>	<u>1,513,447</u>
Depreciation					
At 1 April 2022	-	106,409	799,831	45,205	608,683
Charge for the year on owned assets	-	21,772	109,123	-	73,308
Charge for the year on financed assets	-	-	68,396	25,983	10,525
Disposals	-	(15,746)	-	-	(35,625)
Impairment charge	-	1,474,689	-	-	-
At 31 March 2023	<u>-</u>	<u>1,587,124</u>	<u>977,350</u>	<u>71,188</u>	<u>656,891</u>
Net book value					
At 31 March 2023	<u>711,308</u>	<u>5,951,498</u>	<u>303,326</u>	<u>39,742</u>	<u>856,556</u>
At 31 March 2022	<u>711,308</u>	<u>8,147,213</u>	<u>274,676</u>	<u>65,725</u>	<u>1,056,094</u>

MEDIA ZOO HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

15. Tangible fixed assets (continued)

	Total £
Cost	
At 1 April 2022	11,815,144
Additions	213,312
Disposals	(873,473)
	<hr/>
At 31 March 2023	11,154,983
	<hr/>
Depreciation	
At 1 April 2022	1,560,128
Charge for the year on owned assets	204,203
Charge for the year on financed assets	104,904
Disposals	(51,371)
Impairment charge	1,474,689
	<hr/>
At 31 March 2023	3,292,553
	<hr/>
Net book value	
At 31 March 2023	7,862,430
	<hr/> <hr/>
At 31 March 2022	10,255,016
	<hr/> <hr/>

MEDIA ZOO HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

15. Tangible fixed assets (continued)

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

	2023	2022
	£	£
Freehold	711,308	711,308
Long leasehold	5,951,498	8,147,213
	<u>6,662,806</u>	<u>8,858,521</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 during the financial year.

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

	2023	2022
	£	£
Plant and machinery	39,742	156,656
Motor vehicles	25,859	65,726
Furniture, fittings and equipment	-	21,051
	<u>65,601</u>	<u>243,433</u>

MEDIA ZOO HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

15. Tangible fixed assets (continued)

Company

	Long-term leasehold property £	Fixtures and fittings £	Total £
Cost			
At 1 April 2022	715,000	158,473	873,473
Disposals	(715,000)	(158,473)	(873,473)
At 31 March 2023	-	-	-
At 1 April 2022	-	35,233	35,233
Charge for the year on owned assets	-	392	392
Disposals	-	(35,625)	(35,625)
At 31 March 2023	-	-	-
Net book value			
At 31 March 2023	-	-	-
At 31 March 2022	715,000	123,240	838,240

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

	2023 £	2022 £
Long leasehold	-	715,000
	-	715,000

MEDIA ZOO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

16. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2022	584,200
Additions	2,800,000
At 31 March 2023	<u>3,384,200</u>

Direct subsidiary undertakings

The following were direct 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%
Finer Vision Holdings Limited	England	Ordinary	100%

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

On 16 November 2022, the entire share capital of Finer Vision Holdings Limited, was acquired by Media Zoo Holdings Limited. Finer Vision Holdings Limited is a dormant parent company owning 100% of the share capital in Finer Vision Limited. The wholly owned subsidiaries have been included in the group financial statements from the date of acquisition.

Indirect subsidiary undertaking

The following was an indirect subsidiary undertaking of the Company:

Name	Registered office	Class of shares	Holding
Finer Vision Limited	England	Ordinary	100%

MEDIA ZOO HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

17. Debtors

	Group 2023 £	<i>Group 2022 £</i>	Company 2023 £	<i>Company 2022 £</i>
Due after more than one year				
Other debtors	-	1,616,320	-	1,616,320
	<u>-</u>	<u>1,616,320</u>	<u>-</u>	<u>1,616,320</u>
	Group 2023 £	<i>Group 2022 £</i>	Company 2023 £	<i>Company 2022 £</i>
Due within one year				
Trade debtors	3,650,865	3,368,425	-	27,974
Amounts owed by group undertakings	-	-	1,708,372	1,708,372
Other debtors	105,526	41,740	-	-
Prepayments and accrued income	218,836	313,040	-	224
	<u>3,975,227</u>	<u>3,723,205</u>	<u>1,708,372</u>	<u>1,736,570</u>

18. Cash and cash equivalents

	Group 2023 £	<i>Group 2022 £</i>	Company 2023 £	<i>Company 2022 £</i>
Cash at bank and in hand	5,189,804	6,772,639	1,552,257	1,136,694
	<u>5,189,804</u>	<u>6,772,639</u>	<u>1,552,257</u>	<u>1,136,694</u>

MEDIA ZOO HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

19. Creditors: Amounts falling due within one year

	Group 2023 £	<i>Group 2022 £</i>	Company 2023 £	<i>Company 2022 £</i>
Bank loans	975,551	975,920	-	-
Trade creditors	475,027	600,875	22,679	2,152
Amounts owed to group undertakings	-	-	461,486	961,473
Corporation tax	249,307	386,353	-	26,495
Other taxation and social security	740,001	1,033,205	-	4,366
Obligations under finance lease and hire purchase contracts	25,848	86,016	-	-
Other creditors	490,158	559,185	290,521	-
Accruals and deferred income	3,447,697	2,597,105	66,289	22,870
	<u>6,403,589</u>	<u>6,238,659</u>	<u>840,975</u>	<u>1,017,356</u>

The following liabilities were secured:

	Group 2023 £	<i>Group 2022 £</i>
Bank loans	975,551	975,920
	<u>975,551</u>	<u>975,920</u>

Details of security provided:

Included within creditors falling due within one year are bank loans of £975,551 (2022 - £975,920) 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 2023**

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

	Group 2023 £	<i>Group 2022 £</i>	Company 2023 £	<i>Company 2022 £</i>
Bank loans	6,296,544	7,236,423	-	-
Net obligations under finance leases and hire purchase contracts	-	25,847	-	-
Shareholder working capital loan	5,000,000	-	5,000,000	-
	<u>11,296,544</u>	<u>7,262,270</u>	<u>5,000,000</u>	<u>-</u>

The following liabilities were secured:

	Group 2023 £	<i>Group 2022 £</i>
Bank loans	6,296,544	7,236,423
	<u>6,296,544</u>	<u>7,236,423</u>

Details of security provided:

Included within creditors falling due within one year are bank loans of £6,296,544 (2022 - £7,236,423) that are secured by fixed charges over the freehold and leasehold properties.

21. Loans

Analysis of the maturity of loans is given below:

	Group 2023 £	<i>Group 2022 £</i>
Amounts falling due within one year		
Bank loans	975,551	975,920
Amounts falling due 2-5 years		
Bank loans	4,596,421	3,737,767
Amounts falling due after more than 5 years		
Bank loans	1,700,123	3,498,656
	<u>7,272,095</u>	<u>8,212,343</u>

MEDIA ZOO HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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22. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2023 £	<i>Group 2022 £</i>
Within one year	25,847	86,016
Between 1-5 years	-	25,847
	25,847	111,863

23. Deferred taxation

Group

	2023 £	<i>2022 £</i>
At beginning of year	(733,426)	(620,236)
Charged to profit or loss	94,487	(111,116)
Utilised in year	93,672	(2,074)
At end of year	(545,267)	(733,426)

Company

	2023 £	<i>2022 £</i>
At beginning of year	(93,672)	(95,903)
Utilised in year	93,672	2,231
At end of year	-	(93,672)

The provision for deferred taxation is made up as follows:

	Group 2023 £	<i>Group 2022 £</i>	Company 2023 £	<i>Company 2022 £</i>
Accelerated capital allowances	(278,422)	(242,707)	-	(23,417)
Deferred tax on revaluation gains	(266,845)	(490,719)	-	(70,255)
	(545,267)	(733,426)	-	(93,672)

MEDIA ZOO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

24. Share capital

	2023 £	2022 £
Allotted, called up and fully paid		
91 (2022 - 91) Ordinary shares of £1.00 each	<u>91</u>	<u>91</u>

25. 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.

MEDIA ZOO HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

26. Business combinations

On 16 November 2022, the entire share capital of *Finer Vision Holdings Limited*, was acquired by Media Zoo Holdings Limited. *Finer Vision Holdings Limited* is a dormant parent company owning 100% of the share capital in *Finer Visions Limited*. The wholly owned subsidiaries have been included in the group financial statements from the date of acquisition.

Acquisition of Finer Visions Limited

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book value £	Fair value £
Fixed Assets		
Tangible	51,885	51,885
	<u>51,885</u>	<u>51,885</u>
Current Assets		
Debtors	171,618	171,618
Cash at bank and in hand	487,704	487,704
	<u>711,207</u>	<u>711,207</u>
Total Assets	711,207	711,207
Creditors		
Due within one year	(263,689)	(263,689)
Deferred taxation	(84,071)	(84,071)
	<u>363,447</u>	<u>363,447</u>
Total Identifiable net assets	<u>363,447</u>	<u>363,447</u>
Goodwill		2,436,553
Total purchase consideration		<u>2,800,000</u>
Consideration		
		£
Cash		<u>2,800,000</u>
Cash outflow on acquisition		

The results of *Finer Visions Limited* since acquisition are as follows:

	Current period since acquisition £
Turnover	365,381
(Loss) for the period since acquisition	<u>(54,697)</u>

MEDIA ZOO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

27. Contingent liabilities

On 16 November 2022, the entire share capital of Finer Vision Holdings Limited, was acquired by Media Zoo Holdings Limited. Finer Vision Holdings Limited is a dormant parent company owning 100% of the share capital in Finer Vision Limited. The company has a present obligation to pay further consideration on the anniversary of the acquisition of Finer Vision Holding Limited for the first three years based on financial performance measures. The outcome of the contingent consideration cannot be measured with a fair and reliable estimate and has not been recognised as a provision at the date of acquisition. In the event the contingent consideration becomes payable on the anniversary dates of the acquisition and this amount can be measured reliably, the cost will be recognised within the cost of the investment in the respective year it relates to.

28. 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 £143,939 (2022 - £126,127). Contributions totalling £26,390 (2022 - £26,094) were payable to the fund at the balance sheet date and are included in creditors.

29. Transactions with directors

At the year end, the company was owed an amount of £81,302 (2022: £40,704) by the directors serving during the year. The movement in the year represents expenses paid on behalf of the company amounting to £81,302 (2022: £40,489), interest has been charge at the rate of 2% on the loan account of £nil (2022: £215) and repayments of £40,489 (2022: £nil).

30. Directors' personal guarantees

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

31. Related party transactions

Mark Michael Limited

At the balance sheet date, Mark Michael Limited (a company in which Mark Killick is a director) owed £nil (2022 - £808,160) in convertible loans to Media Zoo Holdings Limited. During the year, interest of £nil (2022 - £13,380) was charged and repayments of £808,160 (2022 - £nil).

Solana Systems Limited

During the year, Solana Systems Limited charged fees for the provision of a variety of services of £nil (2022 - £196,367) to Media Zoo Limited. At the balance sheet date, Media Zoo Limited owed £nil (2022 - £16,896) to Solana Systems Limited.

At the balance sheet date, Solana Systems Limited (a company in which Rachel Pendered is a director) owed £nil (2022 - £808,160) in convertible loans to Media Zoo Holdings Limited. During the year, interest of £nil (2022 - £14,594) was charged and repayments of £808,160 (2022 - £nil).

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 £nil (2022: £208,752) to Media Zoo Limited. At the balance sheet date, Media Zoo Limited owed £nil (2022: £16,560) to Mark Killick Limited.

MEDIA ZOO HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

32. 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)

33. Controlling party

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