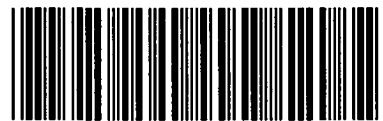


AXONN MEDIA LIMITED

COMPANY REGISTRATION NUMBER 03595705

ABBREVIATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2013

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COMPANIES HOUSE

A. S. ZANETTOS & CO LIMITED
Chartered Accountants & Statutory Auditor
2 - 5 Croxted Mews
286a/288 Croxted Road
Dulwich Village
London SE24 9DA

AXONN MEDIA LIMITED
ABBREVIATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2013

CONTENTS	PAGE
Strategic report	1
The directors' report	2
Independent auditor's report to the company	4
Abbreviated profit and loss account	5
Abbreviated balance sheet	6
Cash flow statement	7
Notes to the abbreviated accounts	9

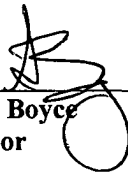
AXONN MEDIA LIMITED

STRATEGIC REPORT

YEAR ENDED 31 DECEMBER 2013

The company continues the transition to newer content based products and services in tune with the current market. This should lead to decreasing customer attrition and increased margins in the medium to longer term as the company continues to enjoy the benefits of its IP licencing arrangements in the near term. Given the level of transition to new products and customer attrition in the last quarter, the directors anticipate tightening cash flow for 2014.

Signed on behalf of the directors



Mr A. Boyce
Director

Approved by the directors on 30 June 2014

AXONN MEDIA LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2013

The directors present their report and the financial statements of the company for the year ended 31 December 2013.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £429,767. Particulars of dividends paid are detailed in note 6 to the financial statements.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Liquidity risk

The company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the company has sufficient liquid resources to meet the operating needs of the business.

Foreign currency risk

The company's principal foreign currency exposures arise from trading with overseas companies. The company policy permits but does not demand that these exposures may be hedged in order to fix the cost in sterling. This hedging activity involves the use of foreign exchange forward contracts.

DIRECTORS

The directors who served the company during the year were as follows:

Mr A. Afriyie
Mr W. Bracken
Mr A. Boyce
Mr F. Parker
Mrs A. Brown

Mrs A. Brown was appointed as a director on 1 January 2013.

Mr W. Bracken retired as a director on 12 June 2013.

Mrs A. Brown retired as a director on 5 April 2014.

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year.

In preparing these financial statements, the directors are required to:

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

AXONN MEDIA LIMITED

DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2013

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITOR

A. S. Zanettos & Co Limited are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Each of the persons who is a director at the date of approval of this report confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Registered office:
4 Croxted Mews
Croxted Road
London
SE24 9DA

Signed on behalf of the directors



Mr A. Boyce
Director

Approved by the directors on 30 June 2014

AXONN MEDIA LIMITED

INDEPENDENT AUDITOR'S REPORT TO AXONN MEDIA LIMITED

UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts, together with the financial statements of Axonn Media Limited for the year ended 31 December 2013 prepared under Section 396 of the Companies Act 2006.

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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 for our work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

The directors are responsible for preparing the abbreviated accounts in accordance with Section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.

MR A. S. ZANETTOS

(Senior Statutory Auditor)

For and on behalf of

A. S. ZANETTOS & CO LIMITED

Chartered Accountants & Statutory Auditor

2 - 5 Croxted Mews
286a/288 Croxted Road
Dulwich Village
London SE24 9DA

30 June 2014

AXONN MEDIA LIMITED
ABBREVIATED PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2013

	Note	2013 £	2012 £
TURNOVER		7,593,033	7,380,003
Cost of Sales and Other operating income		3,546,018	3,038,456
Administrative expenses		3,517,850	4,211,200
OPERATING PROFIT	2	529,165	130,347
Attributable to:			
Operating profit before exceptional items		529,165	1,401,779
Exceptional items	2	—	(1,271,432)
		529,165	130,347
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		529,165	130,347
Tax on profit on ordinary activities	5	99,398	174,397
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		429,767	(44,050)

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 9 to 15 form part of these abbreviated accounts.


AXONN MEDIA LIMITED
ABBREVIATED BALANCE SHEET

31 DECEMBER 2013

	Note	2013 £	2012 £
FIXED ASSETS			
Tangible assets	7	982,946	812,825
Investments	8	1,001	1,051
		<u>983,947</u>	<u>813,876</u>
CURRENT ASSETS			
Debtors	9	1,342,793	1,253,191
Cash at bank and in hand		196,632	647,279
		<u>1,539,425</u>	<u>1,900,470</u>
CREDITORS: Amounts falling due within one year	10	<u>2,300,396</u>	<u>2,608,495</u>
NET CURRENT LIABILITIES		<u>(760,971)</u>	<u>(708,025)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>222,976</u>	<u>105,851</u>
PROVISIONS FOR LIABILITIES			
Deferred taxation	11	90,521	43,160
		<u>132,455</u>	<u>62,691</u>
CAPITAL AND RESERVES			
Called-up equity share capital	13	56,901	59,001
Other reserves	14	2,100	—
Profit and loss account	15	73,454	3,690
SHAREHOLDERS' FUNDS	16	<u>132,455</u>	<u>62,691</u>

These abbreviated accounts have been prepared in accordance with the special provisions of section 445(3) Companies Act 2006 in regard to medium-sized companies.

These abbreviated accounts were approved by the directors and authorised for issue on 30 June 2014, and are signed on their behalf by:


MR A. BOYCE
Director

Company Registration Number: 03595705

The notes on pages 9 to 15 form part of these abbreviated accounts.

AXONN MEDIA LIMITED

CASH FLOW STATEMENT

YEAR ENDED 31 DECEMBER 2013

	Note	2013 £	2012 £
NET CASH INFLOW FROM OPERATING ACTIVITIES		405,753	691,748
TAXATION		(232,659)	(64,449)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Payments to acquire tangible fixed assets		(263,788)	(334,392)
Receipts from sale of fixed assets		—	(1)
NET CASH OUTFLOW FOR CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		(263,788)	(334,393)
ACQUISITIONS AND DISPOSALS	17	50	—
EQUITY DIVIDENDS PAID		(265,503)	(265,503)
CASH (OUTFLOW)/INFLOW BEFORE FINANCING		(356,147)	27,403
FINANCING			
Purchase of own equity shares		(2,100)	—
Premium on purchase of own equity shares		(92,400)	—
NET CASH OUTFLOW FROM FINANCING		(94,500)	—
(DECREASE)/INCREASE IN CASH		(450,647)	27,403
RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES			
		2013 £	2012 £
Operating profit		529,165	130,347
Depreciation		93,667	104,984
(Increase)/decrease in debtors		(89,602)	1,278,551
Decrease in creditors		(127,477)	(822,134)
Net cash inflow from operating activities		405,753	691,748

The notes on pages 9 to 15 form part of these abbreviated accounts.

AXONN MEDIA LIMITED

CASH FLOW STATEMENT

YEAR ENDED 31 DECEMBER 2013

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2013		2012	
	£	£	£	£
(Decrease)/increase in cash in the period	(450,647)		27,403	
		(450,647)		27,403
Change in net funds		(450,647)		27,403
Net funds at 1 January 2013		647,279		619,876
Net funds at 31 December 2013		<u>196,632</u>		<u>647,279</u>

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Jan 2013 £	Cash flows £	At 31 Dec 2013 £
Net cash:			
Cash in hand and at bank	647,279	(450,647)	196,632
Net funds	<u>647,279</u>	<u>(450,647)</u>	<u>196,632</u>

The notes on pages 9 to 15 form part of these abbreviated accounts.

AXONN MEDIA LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 DECEMBER 2013

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention.

Turnover

The turnover shown in the profit and loss account represents revenue recognised by the company in respect of goods and services supplied during the period, exclusive of Value Added Tax and trade discounts.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Computer system	- 5% straight line method
Fixtures & Fittings	- 20% straight line method
Equipment	- 25% straight line method

Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise, based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset, or on unremitted earnings of subsidiaries where there is no commitment to remit these earnings. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

AXONN MEDIA LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 DECEMBER 2013

2. OPERATING PROFIT

Operating profit is stated after charging:

	2013	2012
	£	£
Depreciation of owned fixed assets	93,667	104,984
Auditor's remuneration		
- as auditor	24,000	26,000
Exceptional administrative expenses	—	1,271,432
	<u> </u>	<u> </u>

EXCEPTIONAL ITEMS

This amount relates to an agreed waiver of the intercompany balances with the two subsidiaries.

3. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	2013	2012
	No	No
Number of production staff	169	192
Number of administrative staff	18	24
Number of management staff	9	12
	<u> </u>	<u> </u>
	196	228

The aggregate payroll costs of the above were:

	2013	2012
	£	£
Wages and salaries	4,465,892	3,973,476
Social security costs	447,826	383,440
Staff pension costs	38,966	26,647
Directors pension costs	12,486	7,963
	<u> </u>	<u> </u>
	4,965,170	4,391,526

AXONN MEDIA LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 DECEMBER 2013

4. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were:

	2013	2012
	£	£
Remuneration receivable	275,134	209,253
Value of company pension contributions to money purchase schemes	12,486	7,963
	<u>287,620</u>	<u>217,216</u>

The number of directors who accrued benefits under company pension schemes was as follows:

	2013	2012
	No	No
Money purchase schemes	<u>3</u>	<u>3</u>

5. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2013	2012
	£	£
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 20% (2012 - 24.50%)	52,037	155,522
Total current tax	52,037	155,522
Deferred tax:		
Origination and reversal of timing differences (note 11)		
Capital allowances	47,361	18,875
Tax on profit on ordinary activities	<u>99,398</u>	<u>174,397</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 20% (2012 - 24.50%).

	2013	2012
	£	£
Profit on ordinary activities before taxation	<u>529,165</u>	<u>130,347</u>
Profit on ordinary activities by rate of tax	105,833	343,436
Expenses not deductible for tax purposes	19,487	29,279
Capital allowances for period in excess of depreciation	(73,283)	(45,233)
Group loss relief	-	(171,960)
Total current tax (note 5(a))	<u>52,037</u>	<u>155,522</u>

AXONN MEDIA LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 DECEMBER 2013

6. DIVIDENDS

Equity dividends

	2013 £	2012 £
Paid during the year:		
Dividends on equity shares	<u>265,503</u>	<u>265,503</u>

7. TANGIBLE FIXED ASSETS

	Computer system £	Fixtures & Fittings £	Equipment £	Total £
COST				
At 1 January 2013	909,088	104,880	776,481	1,790,449
Additions	230,992	4,134	28,662	263,788
Disposals	—	(10,116)	(268,884)	(279,000)
At 31 December 2013	<u>1,140,080</u>	<u>98,898</u>	<u>536,259</u>	<u>1,775,237</u>
DEPRECIATION				
At 1 January 2013	174,450	92,210	710,964	977,624
Charge for the year	53,773	6,105	33,789	93,667
On disposals	—	(10,116)	(268,884)	(279,000)
At 31 December 2013	<u>228,223</u>	<u>88,199</u>	<u>475,869</u>	<u>792,291</u>
NET BOOK VALUE				
At 31 December 2013	<u>911,857</u>	<u>10,699</u>	<u>60,390</u>	<u>982,946</u>
At 31 December 2012	<u>734,638</u>	<u>12,670</u>	<u>65,517</u>	<u>812,825</u>

8. INVESTMENTS

SUBSIDIARY UNDERTAKING

	£
COST	
At 1 January 2013	1,051
Disposals	(50)
At 31 December 2013	<u>1,001</u>
NET BOOK VALUE	
At 31 December 2013	<u>1,001</u>
At 31 December 2012	<u>1,051</u>

The company owns 100% of the issued share capital of Baubridge Limited and Square Digital Media Limited which were dormant during the year.

AXONN MEDIA LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 DECEMBER 2013

9. DEBTORS

	2013 £	2012 £
Trade debtors	691,657	622,435
Other debtors	182,517	217,205
Prepayments and accrued income	468,619	413,551
	<u>1,342,793</u>	<u>1,253,191</u>

10. CREDITORS: Amounts falling due within one year

	2013 £		2012 £
Trade creditors	96,521		47,409
Other creditors including taxation and social security:			
Corporation tax	244,937	425,559	
PAYE and social security	183,227	—	
VAT	249,185	324,684	
Other creditors	304,423	316,815	
Directors loan account	—	190,000	
	<u>981,772</u>		1,257,058
Accruals and deferred income	1,222,103		1,304,028
	<u>2,300,396</u>		<u>2,608,495</u>

11. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was:

	2013 £	2012 £
Provision brought forward	43,160	24,285
Profit and loss account movement arising during the year	47,361	18,875
Provision carried forward	<u>90,521</u>	<u>43,160</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2013 £	2012 £
Excess of taxation allowances over depreciation on fixed assets	90,521	43,160
	<u>90,521</u>	<u>43,160</u>

12. RELATED PARTY TRANSACTIONS

During the period the company acquired goods and services to the sum of £506,352 (2012 - £54,009) from Connect Support Services Limited, a company in which one of the directors of the company has a material interest. The companies trade on normal commercial terms. As at 31 December 2013 the amount due to Connect Support Services Limited was £8,100 (2012 - Nil).

The amount of dividends distributed to the directors and included in Note 6 was £195,840 (2012 - £195,840).

AXONN MEDIA LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 DECEMBER 2013

13. SHARE CAPITAL

Allotted, called up and fully paid:

	2013		2012	
	No	£	No	£
Ordinary shares (2012 - 5,900,067) of £0.01 each	<u>5,690,067</u>	<u>56,901</u>	<u>5,900,067</u>	<u>59,001</u>

14. OTHER RESERVES

	2013 £	2012 £
Capital redemption reserve:		
Purchase of own shares	<u>2,100</u>	<u>—</u>

15. PROFIT AND LOSS ACCOUNT

	2013 £	2012 £
Balance brought forward	3,690	313,243
Profit/(loss) for the financial year	429,767	(44,050)
Equity dividends	(265,503)	(265,503)
Purchase of own shares	(94,500)	—
Balance carried forward	<u>73,454</u>	<u>3,690</u>

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2013 £	£	2012 £	£
Profit/(Loss) for the financial year		429,767		(44,050)
Purchase of own ordinary shares	(2,100)		—	
Premium on purchase of own ordinary shares	(92,400)		—	
Equity dividends	<u>(265,503)</u>		<u>(265,503)</u>	
		<u>(360,003)</u>		<u>(265,503)</u>
Net addition/(reduction) to shareholders' funds		69,764		(309,553)
Opening shareholders' funds		<u>62,691</u>		<u>372,244</u>
Closing shareholders' funds		<u>132,455</u>		<u>62,691</u>

17. NOTES TO THE CASH FLOW STATEMENT

ACQUISITIONS AND DISPOSALS

	2013 £	2012 £
Disposal of shares in group undertakings	<u>(50)</u>	<u>—</u>
Net cash inflow from acquisitions and disposals	<u>(50)</u>	<u>—</u>

AXONN MEDIA LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 DECEMBER 2013

18. ULTIMATE CONTROLLING PARTY

In the opinion of the directors, Mr A. Afriye, who effectively controls 56.77% of the share capital of the company, is the company's ultimate controlling party.

19. EXCEPTIONAL ITEM

In the previous year the company absorbed the trading of its two subsidiaries, Square Digital Media Limited and Baubridge Limited, which were making losses.