

MEDIA ZOO 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 LIMITED

COMPANY INFORMATION

Directors	R Pendered (resigned 8 August 2023) A J McRae (appointed 8 August 2023) G O Smith (appointed 8 August 2023)
Registered number	04655948
Registered office	8 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 LIMITED

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**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 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 £1.6m. Whilst the financial year ended March 2023 was disappointing, current trading is positive.

Principal risks and uncertainties

As with any business, the company 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 company 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 company, which could result in a loss of sales to competitors. The group manages this by providing added value services to clients, achieving or exceeding service level agreements and by maintaining strong client relationships.

Business review and future developments

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

Financial key performance indicators

The group revenue increased to £15,048,703 from £13,340,880 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 LIMITED

**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 January 2024 and signed on its behalf.

A J McRae
Director

MEDIA ZOO 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 company is the production of film projects, PR consultancy and Learning & Development projects.

Results and dividends

The loss for the year, after taxation, amounted to £1,850,641 (2022 - loss £134,899).

The total distribution of dividends to the owners of the company for the period are £nil (2021 - £1,650,000).

Director

The director who served during the year was:

R Pendered (resigned 8 August 2023)

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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 of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company'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 Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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 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'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's auditor is aware of that information.

MEDIA ZOO LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

Post balance sheet events

There have been no significant events affecting the company 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 January 2024 and signed on its behalf.

A J McRae

Director

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

Opinion

We have audited the financial statements of Media Zoo Limited (the 'Company') for the year ended 31 March 2023, which comprise the Statement of Comprehensive Income, the Balance Sheet, the 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 Company's affairs as at 31 March 2023 and of its 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 Company 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 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.

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.

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

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 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 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 Company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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 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 Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MEDIA ZOO 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 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.

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

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Philip Munk FCA FCCA (Senior Statutory Auditor)

for and on behalf of

TWP Accounting LLP

Chartered Accountants & Statutory Auditors

The Old Rectory

Church Street

Weybridge

Surrey

KT13 8DE

30 January 2024

MEDIA ZOO LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £	2022 £
Turnover	3	15,048,703	13,340,880
Cost of sales		(4,251,449)	(3,243,240)
Gross profit		10,797,254	10,097,640
Administrative expenses		(12,449,111)	(10,197,818)
Other operating income	4	2,056	11,524
Operating loss	5	(1,649,801)	(88,654)
Interest receivable and similar income	9	-	215
Interest payable and similar expenses	10	(149,996)	(71,869)
Loss before tax		(1,799,797)	(160,308)
Tax on loss	11	(50,844)	25,409
Loss for the financial year		(1,850,641)	(134,899)

There was no other comprehensive income for 2023 (2022:£NIL).

The notes on pages 12 to 24 form part of these financial statements.

MEDIA ZOO LIMITED
REGISTERED NUMBER: 04655948

BALANCE SHEET
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	12	333,143	396,325
		<u>333,143</u>	<u>396,325</u>
Current assets			
Debtors: amounts falling due within one year	13	4,876,852	4,649,611
Cash at bank and in hand	14	1,856,551	4,140,149
		<u>6,733,403</u>	<u>8,789,760</u>
Creditors: amounts falling due within one year	15	(6,052,048)	(5,691,354)
Net current assets		<u>681,355</u>	<u>3,098,406</u>
Total assets less current liabilities		<u>1,014,498</u>	<u>3,494,731</u>
Creditors: amounts falling due after more than one year	16	(1,583,333)	(2,229,180)
Provisions for liabilities			
Deferred tax	19	(88,984)	(72,729)
		<u>(88,984)</u>	<u>(72,729)</u>
Net (liabilities)/assets		<u><u>(657,819)</u></u>	<u><u>1,192,822</u></u>
Capital and reserves			
Called up share capital	20	100	100
Profit and loss account	21	(657,919)	1,192,722
		<u><u>(657,819)</u></u>	<u><u>1,192,822</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 January 2024.

A J McRae
Director

The notes on pages 12 to 24 form part of these financial statements.

MEDIA ZOO LIMITED

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

	Called up share capital £	Profit and loss account £	Total equity £
At 1 April 2021	100	1,327,621	1,327,721
Loss for the year	-	(134,899)	(134,899)
	<hr/>	<hr/>	<hr/>
At 1 April 2022	100	1,192,722	1,192,822
Loss for the year	-	(1,850,641)	(1,850,641)
	<hr/>	<hr/>	<hr/>
At 31 March 2023	<u>100</u>	<u>(657,919)</u>	<u>(657,819)</u>

The notes on pages 12 to 24 form part of these financial statements.

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

1. General information

Media Zoo Limited is a private company limited by shares, registered in England and Wales. The principal activity of the company is the production of film projects, PR consultancy and Learning & Development projects.

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.

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

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d).

This information is included in the consolidated financial statements of Media Zoo Holdings Limited as at 31 March 2023 and these financial statements may be obtained from B1 The Boulevard, Imperial Wharf, London, SW6 2UB.

2.3 Going concern

The Company made a loss for the financial year of £1,850,641 (2022: £134,899), and at the balance sheet date, its net assets had reduced from £1,192,822 to a net liability of £657,819. 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.

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

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.

2.5 Turnover

Turnover comprises revenue recognised in respect of media services 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.

2.6 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

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 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.

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

2. Accounting policies (continued)

2.9 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company 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 Company in independently administered funds.

2.10 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 operates and generates 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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.

2.11 Interest income

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

2.12 Tangible fixed assets

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

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

2. Accounting policies (continued)

2.12 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:

Plant and machinery	-	25%	straight line basis
Motor vehicles	-	25%	straight line basis
Fixtures and fittings	-	25%	straight line basis

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.

2.13 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.

2.14 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.

2.15 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.

2.16 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company 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 Company 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.

2.17 Financial instruments

The Company 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 and loans to related parties.

MEDIA ZOO LIMITED

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

3. Turnover

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

	2023 £	2022 £
Media services	15,048,703	13,340,880
	<u>15,048,703</u>	<u>13,340,880</u>

All turnover arose within the United Kingdom.

4. Other operating income

	2023 £	2022 £
Government grants receivable	-	11,524
Insurance claims receivable	2,056	-
	<u>2,056</u>	<u>11,524</u>

5. Operating loss

The operating loss is stated after charging:

	2023 £	2022 £
Exchange differences	20,203	(478)
Other operating lease rentals	664,393	720,000

6. Auditor's remuneration

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

	2023 £	2022 £
Auditor's remuneration	20,500	10,500

MEDIA ZOO LIMITED

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

7. Staff costs

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

	2023	2022
	£	£
Wages and salaries	8,995,059	7,317,915
Social security costs	1,078,561	870,681
Cost of defined contribution scheme	135,363	107,720
	<u>10,208,983</u>	<u>8,296,316</u>

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

	2023	2022
	No.	No.
Admin and production team	<u>146</u>	<u>135</u>

8. Directors' remuneration

	2023	2022
	£	£
Directors' emoluments	442,756	176,400
Company contributions to defined contribution pension schemes	2,788	1,320
	<u>445,544</u>	<u>177,720</u>

During the year retirement benefits were accruing to 1 director (2022 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £387,756 (2022 - £176,400).

The value of the Company'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	2022
	£	£
Other interest receivable	-	215
	<u>-</u>	<u>215</u>

MEDIA ZOO LIMITED

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

10. Interest payable and similar expenses

	2023 £	2022 £
Bank interest payable	141,872	61,274
Other loan interest payable	8,124	10,595
	<u>149,996</u>	<u>71,869</u>

11. Taxation

	2023 £	2022 £
Corporation tax		
Current tax on profits for the year	-	(34,590)
Adjustments in respect of previous periods	34,589	-
	<u>34,589</u>	<u>(34,590)</u>
Total current tax	<u>34,589</u>	<u>(34,590)</u>
Deferred tax		
Origination and reversal of timing differences	16,255	9,181
Total deferred tax	<u>16,255</u>	<u>9,181</u>
Taxation on profit/(loss) on ordinary activities	<u>50,844</u>	<u>(25,409)</u>

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

	2023 £	2022 £
Loss on ordinary activities before tax	<u>(1,799,797)</u>	<u>(160,308)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022 - 19%)	(341,961)	(30,459)
Effects of:		
Capital allowances for year in excess of depreciation	5,100	(17,198)
Non-taxable income less expenses not deductible for tax purposes, other than goodwill and impairment	2,566	1,984
Unrelieved tax losses carried forward	368,884	-
Other differences leading to an increase (decrease) in the tax charge	16,255	9,181
Group relief	-	11,083
Total tax charge for the year	<u>50,844</u>	<u>(25,409)</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.

MEDIA ZOO LIMITED

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

12. Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 April 2022	983,846	110,930	381,240	1,476,016
Additions	109,955	-	3,037	112,992
At 31 March 2023	1,093,801	110,930	384,277	1,589,008
Depreciation				
At 1 April 2022	723,934	45,205	310,552	1,079,691
Charge for the year on owned assets	53,854	-	17,416	71,270
Charge for the year on financed assets	68,396	25,983	10,525	104,904
At 31 March 2023	846,184	71,188	338,493	1,255,865
Net book value				
At 31 March 2023	247,617	39,742	45,784	333,143
At 31 March 2022	259,912	65,725	70,688	396,325

MEDIA ZOO LIMITED

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

12. Tangible fixed assets (continued)

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

	2023	2022
	£	£
Plant and machinery	70,955	156,656
Motor vehicles	39,742	65,726
Furniture, fittings and equipment	10,525	21,051
	<u>121,222</u>	<u>243,433</u>

13. Debtors

	2023	2022
	£	£
Trade debtors	3,480,656	3,003,880
Amounts owed by group undertakings	1,083,403	1,382,744
Other debtors	91,502	41,404
Prepayments and accrued income	221,291	221,583
	<u>4,876,852</u>	<u>4,649,611</u>

14. Cash and cash equivalents

	2023	2022
	£	£
Cash at bank and in hand	1,856,551	4,140,149
	<u>1,856,551</u>	<u>4,140,149</u>

MEDIA ZOO LIMITED

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

15. Creditors: Amounts falling due within one year

	2023 £	2022 £
Bank loans	620,000	620,000
Trade creditors	484,458	473,651
Amounts owed to group undertakings	1,102,162	633,059
Corporation tax	-	134,052
Other taxation and social security	606,481	884,106
Obligations under finance lease and hire purchase contracts	25,848	86,016
Other creditors	172,488	519,784
Accruals and deferred income	3,040,611	2,340,686
	<u>6,052,048</u>	<u>5,691,354</u>

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

	2023 £	2022 £
Bank loans	1,583,333	2,203,333
Net obligations under finance leases and hire purchase contracts	-	25,847
	<u>1,583,333</u>	<u>2,229,180</u>

17. Loans

Analysis of the maturity of loans is given below:

	2023 £	2022 £
Amounts falling due within one year		
Bank loans	620,000	620,000
	<u>620,000</u>	<u>620,000</u>
Amounts falling due 2-5 years		
Bank loans	1,583,333	2,203,333
	<u>1,583,333</u>	<u>2,203,333</u>
	<u>2,203,333</u>	<u>2,823,333</u>

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

18. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

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

19. Deferred taxation

	2023 £
At beginning of year	(72,729)
Charged to profit or loss	(16,255)
At end of year	<u>(88,984)</u>

The provision for deferred taxation is made up as follows:

	2023 £	2022 £
Accelerated capital allowances	(88,984)	(72,729)
	<u>(88,984)</u>	<u>(72,729)</u>

20. Share capital

	2023 £	2022 £
Allotted, called up and fully paid		
100 (2022 - 100) Ordinary shares shares of £1.00 each	<u>100</u>	<u>100</u>

21. Reserves

Profit and loss account

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

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

22. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £135,363 (2022 - £107,720). Contributions totalling £23,850 (2022 - £24,672) were payable to the fund at the balance sheet date and are included in creditors.

23. 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).

24. Directors' personal guarantees

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

25. Controlling party

The whole of the issued share capital of the company is owned by Media Zoo Holdings Limited, a company incorporated in England and Wales. The registered office of Media Zoo Holdings Limited is B1 The Boulevard, Imperial Wharf, London SW6 2UB.

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