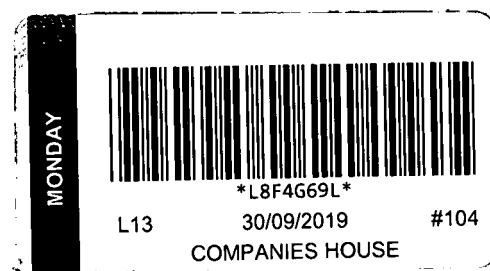


**Bloom Media (UK) Limited**  
Financial statements  
For the year ended 31 March 2019

**COMPANIES HOUSE**



**Company no 05695068**

## Company information

<b>Company registration number:</b>	05695068
<b>Registered office:</b>	Albert Works 71 Sidney Street SHEFFIELD S1 4RG
<b>Directors:</b>	A J Craven (resigned 15 October 2018) A Lingard R B Shaw M Sprot
<b>Bankers:</b>	Barclays Bank plc 1 Princes Street IPSWICH IP1 1PB
<b>Auditor:</b>	Grant Thornton UK LLP Statutory Auditor Chartered Accountants 1 Holly Street SHEFFIELD S1 2GT

## Index to the financial statements

<b>Report of the directors</b>	1 – 2
<b>Strategic report</b>	3
<b>Independent auditor's report</b>	4 – 6
<b>Profit and loss account</b>	7
<b>Balance sheet</b>	8
<b>Statement of changes in equity</b>	9
<b>Notes to the financial statements</b>	10 – 21

## Report of the directors

The directors present their report and the financial statements of Bloom Media (UK) Limited for the year ended 31 March 2019.

### Principal activity

The Company is principally engaged in provision of data, creative and digital marketing services.

### Results and dividends

There was a profit for the period after taxation amounting to £368,146 (2018: £382,015).

The company has paid dividends during the period amounting to £650,000. (2018: £240,000).

### Directors

The directors who served the Company during the period are as follows:

A J Craven (resigned 15 October 2018)  
A Lingard  
R B Shaw  
M Sprot

### Statement of directors' responsibilities

The directors are responsible for preparing the Report of the directors, the Strategic report and the financial statements in accordance with applicable laws 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 laws, including FRS 101 "Reduced Disclosure Framework"). 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 and profit or loss of the company for that period. 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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.

## Report of the directors

The directors confirm that:

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### Auditor

The auditor, Grant Thornton UK LLP, was appointed 1 September 2016 and have expressed a willingness to continue in office. In accordance with s485(4) of the Companies Act 2006 a resolution to reappoint Grant Thornton UK LLP as auditors will be proposed at the Annual General Meeting.

ON BEHALF OF THE BOARD



M Sprout  
Director  
27 September 2019

## Strategic report

### Key Performance Indicators

Key performance indicators of the Company include gross profit margin (2019: 65.71%, 2018: 75.78%) and operating profit margin (2019 13.52%, 2018: 15.80%) which is defined as Operating Profit before Share Based Payment Transactions (2019 £5,761, 2018: £nil).

These are monitored and reviewed on a regular basis by the directors and the Company has performed to expected levels during the year.

### Business review

Bloom Media (UK) Limited has continued to trade effectively during 2018/19 consolidating on the previous years' performance in both the UK and Australia. Bloom Media (UK) Limited has started the process of integrating within Jaywing Plc which has allowed for some synergy in working across Jaywing Plc subsidiaries.

### Principal risks and uncertainties

The management of the business and the nature of the company's strategy are subject to a number of risks. The directors have set out below the principal risks facing the business. The directors are of the opinion that a risk management process is adopted which includes the formal review of all the risks identified below. Where possible, processes are in place to monitor and mitigate such risks.

### Financial risk management objectives and policies

The Company uses financial instruments, other than derivatives, cash and other liquid resources and various other items such as trade debtors and creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Company's operations. The main risks arising from the company financial instruments are liquidity risk and currency risk. The directors review and agree policies for managing these risks and they are summarised below.

#### Liquidity risk

The Company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Primarily this is achieved through maintaining control over debtors and creditors.

#### Currency risk

The Company is exposed to transaction and translation foreign exchange risk. This is not significant and not considered a major risk. Exchange rate movements are monitored on a regular basis.

M Sprat

M Sprat  
Director  
27 September 2019



# Independent auditor's report to the members of Bloom Media (UK) Limited

## Opinion

We have audited the financial statements of Bloom Media (UK) Limited (the 'Company') for the year ended 31 March 2019 which comprise the profit and loss account, the balance sheet, the statement of changes in equity, and notes to the financial statements, 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 101 'Reduced Disclosure Framework' (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 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 Bloom Media (UK) Limited

## Opinions 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 has been prepared in accordance with applicable legal requirements.

## Matter on which we are required to report under the Companies Act 2006

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.

## Matters on which we are required to report by exception

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 for the financial statements

As explained more fully in the directors' responsibilities statement set out on pages 1 and 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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.

## 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.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.





## Independent auditor's report to the members of Bloom Media (UK) Limited

### 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.

*Grant Thornton UK LLP*

Donna Steel  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
SHEFFIELD  
27 September 2019

## Profit and loss account

	Note	2019 £'000	2018 £'000
Turnover	1	2,566	3,030
Cost of sales		<u>(880)</u>	<u>(734)</u>
Gross profit		1,686	2,297
Administrative expenses		<u>(1,345)</u>	<u>(1,818)</u>
Operating profit	2	341	479
Net interest	3	<u>-</u>	<u>-</u>
Profit on ordinary activities before taxation		341	479
Tax on profit on ordinary activities	5	<u>27</u>	<u>(97)</u>
Profit for the financial year		<u>368</u>	<u>382</u>

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

## Balance sheet

	Note	2019 £'000	2018 £'000
<b>Fixed assets</b>			
Intangible fixed assets	6	-	7
Tangible assets	7	17	25
		<u>17</u>	<u>32</u>
<b>Current assets</b>			
Debtors	8	731	1,401
Cash at bank and in hand		373	458
		<u>1,104</u>	<u>1,859</u>
<b>Creditors: amounts falling due within one year</b>	9	(429)	(917)
<b>Net current assets</b>		<u>675</u>	<u>942</u>
<b>Total assets less current liabilities and net assets</b>		<u>692</u>	<u>974</u>
<b>Capital and reserves</b>			
Called up share capital	10	1	1
Share premium account	11	117	117
Capital redemption reserve	11	-	-
Profit and loss account	11	574	856
<b>Shareholders' funds</b>		<u>692</u>	<u>974</u>

The financial statements were approved by the Board of Directors and authorised for issue on 27 September 2019.

Signed on behalf of the board of directors:

M Sprot

M Sprot  
Director

Company number: 05695068

## Statement of changes in equity

	Called-up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Profit and loss account £'000	Total £'000
At 31 March 2017	1	117	-	714	832
Profit for the financial period	-	-	-	382	382
Dividends paid	-	-	-	(240)	(240)
Share based payment charge	-	-	-	-	-
At 31 March 2018	<u>1</u>	<u>117</u>	<u>-</u>	<u>856</u>	<u>974</u>
At 31 March 2018	1	116	-	856	974
Profit for the financial period	-	-	-	368	368
Dividends paid	-	-	-	(650)	(650)
Share based payment charge	-	-	-	-	-
At 31 March 2019	<u>1</u>	<u>117</u>	<u>-</u>	<u>574</u>	<u>692</u>

The accompanying accounting policies and notes form an integral part of these financial statements.

## Notes to the financial statements

### 1 Accounting policies

#### 1.1 Statement of compliance

These financial statements have been prepared in accordance with applicable accounting standards and in accordance with Financial Reporting Standard 101 – 'The Reduced Disclosure Framework' (FRS 101). The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have all been applied consistently throughout the year unless otherwise stated.

The financial statements have been prepared on a historical cost basis except for the revaluation of certain financial instruments.

The financial statements are presented in Sterling (£'000).

Bloom Media (UK) Limited is incorporated in England and Wales. The registered office is Albert Works, 71 Sidney Street, Sheffield, S1 4RG. The company is principally engaged in media representation services.

#### 1.2 Going concern

After reviewing the Company's forecasts and projections, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

#### 1.3 Parent Company

The Company is a wholly owned subsidiary of Jaywing plc which prepares publicly available consolidated financial statements in accordance with IFRS. This Company is included in the consolidated financial statements of Jaywing plc for the year ended 31 March 2019. These accounts are available from Albert Works, 71 Sidney Street, Sheffield, S1 4RG.

#### 1.4 Disclosure exemptions adopted

In preparing these financial statements the Company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore these financial statements do not include:

- 1 A statement of cash flows and related notes
- 2 The requirement to produce a balance sheet at the beginning of the earliest comparative period
- 3 The requirements of IAS 24 related party disclosures to disclose related party transactions entered in to between two or more members of the group as they are wholly owned within the group
- 4 Presentation of comparative reconciliations for property, plant and equipment, intangible assets, investment properties and agriculture
- 5 Capital management disclosures
- 6 Presentation of comparative reconciliation of the number of shares outstanding at the beginning and at the end of the period
- 7 The effect of future accounting standards not adopted
- 8 Certain share based payment disclosures
- 9 Disclosures in relation to impairment of assets
- 10 Disclosures in respect of financial instruments (other than disclosures required as a result of recording financial instruments at fair value)
11. IFRS 9 disclosures in respect of allowances for expected credit losses reconciliations and credit risk and hedge accounting
12. IFRS 15 disclosures in respect of disaggregation of revenue, contract assets reconciliations and contract liabilities reconciliation and unsatisfied performance obligations

## Notes to the financial statements

### 1 Accounting policies (continued)

#### 1.5 Tangible assets

Property, plant and equipment (PPE) is initially recognised at acquisition cost or manufacturing cost, including any costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by the Company's management.

##### Other PPE

PPE is subsequently measured at cost less accumulated depreciation and impairment losses.

Depreciation is recognised on a straight-line basis (unless otherwise stated) to write down the cost less estimated residual value of PPE. The following useful lives are applied:

- Fixtures, fittings and equipment: 2-5 years

Gains or losses arising on the disposal of PPE are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

#### 1.6 Financial instruments - Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities is described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

#### 1.7 Financial instruments - Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement financial assets, other than those designated and effective as hedging instruments, are classified into the following categories upon initial recognition:

- loans and receivables

There are no financial assets that have been designated as held to maturity, fair value through profit or loss or available-for-sale.

All financial assets are reviewed for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

## Notes to the financial statements

### 1 Accounting policies (continued)

#### 1.8 Financial instruments – loans and receivables

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. This replaces IAS 39's 'incurred loss model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

Recognition of credit losses is no longer dependent on the Group first identifying a credit loss event. Instead the Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition, or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').
- 'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.
- '12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

#### 1.9 Financial instruments – Classification and subsequent measurement of financial liabilities

The Company's financial liabilities include borrowings, trade creditors and other creditors and derivative financial instruments.

Financial liabilities are measured subsequently at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

#### 1.10 Cash and cash equivalents

Cash comprise cash on hand and demand deposits which is presented as cash at bank and in hand in the balance sheet.

Cash equivalents comprise short-term, highly liquid investments with maturities of three months or less from inception that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are presented as part of current asset investments in the balance sheet.

#### 1.11 Operating leases

Where the Company is a lessee, payments made under an operating lease agreement are recognised as an expense on a straight-line basis over the lease term.

Incentives received to enter into an operating lease are credited to the profit and loss account, to reduce the lease expense, on a straight-line basis over the period of the lease. Associated costs, such as maintenance and insurance, are expensed as incurred.

#### 1.12 Financial guarantees

Financial guarantees in respect of the borrowings of fellow group companies are not regarded as insurance contracts. They are recognised at fair value and are subsequently measured at the higher of:

- the amount that would be required to be provided under IAS 37 (see policy on provisions below); and
- the amount of any proceeds received net of amortisation recognised as income.

## Notes to the financial statements

### 1 Accounting policies (continued)

#### 1.13 Equity, reserves and dividend payments

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset.

The Company's ordinary shares are classified as equity. Transaction costs on the issue of shares are deducted from the share premium account arising on that issue. Dividends on the Company's ordinary shares are recognised directly in equity.

Interim dividends are recognised when they are paid. A liability for unpaid dividends is recognised when the dividends have been approved in a general meeting prior to the reporting date.

#### 1.14 Revenue recognition

IFRS 15 'Revenue from Contracts with Customers' replaces IAS 18 'Revenue', IAS 11 'Construction Contracts' and several revenue-related interpretations. The new standard has been applied retrospectively without restatement. The adoption of IFRS 15 has had no impact on previously reported results or retained earnings.

Revenue is generated mainly under a project based contractual model.

The different revenue streams for the Company have been assessed and a view taken on whether the application of IFRS 15 would lead to a change in the way revenue is recognised for the work performed.

The Company has used the following five steps to do this:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue when the performance obligations are satisfied

The Company may enter into transactions involving a range of the Group's products and services, for example providing a client with data consultancy and brand development work. In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices.

Revenue is recognised over time, as the Company satisfies performance obligations by transferring the promised goods or services to its customers.

The Company recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the Company satisfies a performance obligation before it receives the consideration, the Company recognises a receivable in its statement of financial position.

#### Project based

A client will enter into a framework agreement which covers all work performed by Jaywing, and will then issue a brief or PO for a specific piece of work to be performed. This could be the development of a website for a client, or the production of a creative campaign. The work would normally take a period of between one and six months to complete.

Normally a specific brief or work order is provided for a project under the overall framework agreement. This will detail the services to be provided to the customer, with a price set out against each element as appropriate. The transaction price is set out in the work order for each element of the project. The customer may choose to vary the scope at any stage, and that would be subject to an updated work order. That work order would still be part of the original contract as those services would not be distinct from those in the original contract.

Revenue is recognised over time using the input method which reflects the efforts or inputs Jaywing have made to the satisfaction of the performance obligation.

The Company have concluded that for the contracts currently in place with customers there is no change in the method of revenue recognition from that done historically.



## Notes to the financial statements

### 1 Accounting policies (continued)

There are no differences in payment terms, the only differences in payments terms are from individual terms agreed with clients.

#### 1.15 Revenue – other revenue streams

##### Interest receivable

Interest receivable is reported on an accrual basis using the effective interest method.

#### 1.16 Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or as incurred.

#### 1.17 Foreign currency translation

Foreign currency transactions are translated into the Company's functional currency using the exchange rates prevailing at the dates of the transactions (spot exchange rate).

Foreign exchange gains and losses resulting from the re-measurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in profit or loss.

#### 1.18 Income taxes

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Calculation of current tax is based on tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the liability method.

Calculation of deferred tax is based on tax rates and laws that have been enacted or substantively enacted by the end of the reporting period that are expected to apply when the asset is realised or the liability is settled.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover the related asset or settle the related obligation.

Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Deferred tax assets are not discounted.

Deferred tax liabilities are generally recognised in full with the exception of the following:

- on the initial recognition of goodwill on investments in subsidiaries and joint ventures where the Company is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future on the initial recognition of a transaction that is not a business combination and at the time of the transaction affects neither accounting or taxable profit.

Deferred tax liabilities are not discounted.

#### 1.19 Post-employment benefits and short-term employee benefits

##### Short-term employee benefits

Short term employee benefits including holiday entitlement, are current liabilities included in pension and other employee obligations, measured at undiscounted amount that the Company expects to pay as a result of unused entitlement.

##### Post-employment benefit plans

Contributions to defined contribution pension schemes are charged to profit or loss in the year to which they relate. Prepaid contributions are recognised as an asset. Unpaid contributions are reflected as a liability.

#### 1.20 Share based payments

Where equity settled share options are awarded by the parent company to employees of this Company the fair value of the options at the date of grant is charged to profit or loss over the vesting period with a corresponding entry in retained earnings.

## Notes to the financial statements

### 1 Accounting policies (continued)

Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest.

Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the statement of comprehensive income over the remaining vesting period.

Recharges from the parent company for the use of options over the parent company shares are deducted from equity.

#### 1.21 Profit from operations

Profit from operations comprises the results of the Company before interest receivable and similar income, interest payable and similar charges, corporation tax and deferred tax.

#### 1.22 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

## Notes to the financial statements

### 1 Accounting policies (continued)

#### 1.23 Significant judgement in applying accounting policies and key estimation uncertainty

When preparing the financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

##### Significant management judgement

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements.

##### Capitalisation of internally developed software

Distinguishing the research and development phases of a new customised software project and determining whether the recognition requirements for the capitalisation of development costs are met requires judgement. After capitalisation, management monitors whether the recognition requirements continue to be met and whether there are any indicators that capitalised costs may be impaired.

##### Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment.

##### Share-based payments

The company has entered into share option plans for eligible employees. These are accounted for under IFRS 2 Share-based payments. The fair value at the date of grant of share based remuneration is calculated and charged to the income statement on a straight line basis over the vesting period of the award. The charge to the income statement takes account of the estimated number of shares that will vest. All share based remuneration is equity settled.

### 2 Operating profit

Operating profit is stated after charging:

	2019 £'000	2018 £'000
Depreciation of owned tangible assets	15	14
Amortisation of intangible fixed assets	7	25
Operating lease charges – land and buildings	46	103
Operating lease charges – other assets	16	27
Auditor's remuneration	-	6

Audit fees are now borne by the parent company, Jaywing plc.

## Notes to the financial statements

### 3 Net Interest

	2019 £'000	2018 £'000
Interest receivable	-	-
Interest payable	-	-
	<u>-</u>	<u>-</u>

### 4 Staff costs

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

	2019 Number	2018 Number
Account Management and Production	18	25
Management and administration	5	4
	<u>23</u>	<u>29</u>

Employee costs, including Directors, during the year:

	2019 £'000	2018 £'000
Wages and salaries	920	1,151
Social security costs	97	137
Other pension costs	44	36
Share based payments charge	6	-
	<u>1,067</u>	<u>1,324</u>

Remuneration in respect of Directors was as follows:

	2019 £'000	2018 £'000
Emoluments receivable	-	107
Social security costs	-	8
Company pension contributions to money purchase pension schemes	-	14
Benefits in kind	-	12
	<u>-</u>	<u>141</u>

None of the Directors during the year were paid by Bloom Media (UK) Limited.

## Notes to the financial statements

### 5 Tax on profit on ordinary activities

(a) The tax charge is based on the profit for the period and represents:

	2019 £'000	2018 £'000
<b>Current tax</b>		
UK corporation tax	77	119
Adjustment in respect of previous periods	(98)	(20)
Total current tax	<u>(21)</u>	<u>99</u>
<b>Deferred Tax</b>		
Origination and reversal of timing differences	(4)	-
Tax on profit on ordinary activities	-	-
Prior year adjustment	-	-
Adjustments in respect of rate differences	(2)	(2)
	<u>(27)</u>	<u>97</u>

(b) Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the period is equal to the standard rate of corporation tax in the UK of 19% (2018: 19%)

	2019 £'000	2018 £'000
Profit on ordinary activities before taxation	<u>341</u>	<u>479</u>
Profit on ordinary activities by rate of tax	65	91
Depreciation for period in excess of capital allowances	2	2
Amortisation	1	12
Other timing differences	(2)	1
Expenses not deductible for tax purposes	5	11
Adjustments to tax change in respect of previous periods	(98)	(20)
Total tax (note 5(a))	<u>(27)</u>	<u>97</u>

### 6 Intangible fixed assets

	Development costs £'000
<b>Cost</b>	
At 1 April 2018 and at 31 March 2019	<u>105</u>
<b>Amortisation</b>	
At 1 April 2018	98
Charge for the period	7
At 31 March 2019	<u>105</u>
<b>Net book amount</b>	
At 31 March 2019	<u>-</u>
At 31 March 2018	<u>7</u>

## Notes to the financial statements

### 7 Tangible fixed assets

	Computer equipment £'000	Office equipment £'000	Total £'000
Cost			
At 1 April 2018	188	54	242
Additions	3	4	7
Disposals	-	-	-
At 31 March 2019	<u>191</u>	<u>58</u>	<u>249</u>
Depreciation			
At 1 April 2018	165	52	217
Charge for the period	13	2	15
Eliminated on disposals	-	-	-
At 31 March 2019	<u>178</u>	<u>54</u>	<u>232</u>
Net book amount			
At 31 March 2019	<u>13</u>	<u>4</u>	<u>17</u>
At 31 March 2018	<u>23</u>	<u>2</u>	<u>25</u>

### 8 Debtors

	2019 £'000	2018 £'000
Amounts due within one year		
Trade debtors	447	990
Amounts owed by group undertakings	128	20
Other debtors	1	30
Prepayments and accrued income	155	361
	<u>731</u>	<u>1,401</u>

### 9 Creditors: amounts falling due within one year

	2019 £'000	2018 £'000
Trade creditors	76	370
Corporation tax	77	117
Deferred tax	25	32
Social security and other taxes	76	113
Other creditors	4	10
Accruals and deferred income	171	275
	<u>429</u>	<u>917</u>

## Notes to the financial statements

### 10 Share capital

	2019		2018	
	No	£	No	£
Allotted, called up and fully paid shares				
'A' Ordinary shares of £1 each	200	200	200	200
'B' Ordinary shares of £1 each	200	200	200	200
'C' Ordinary shares of £1 each	57	57	57	57
'D' Ordinary shares of £1 each	541	541	541	541
'E' Ordinary shares of £1 each	76	76	76	76
	<u>1,074</u>	<u>1,074</u>	<u>1,074</u>	<u>1,074</u>

The 'A', 'B', 'C', 'D', 'E' Ordinary shares of £1 each rank pari passu in all respects, save that the 'E' Ordinary shares are non-voting and the company may declare dividends at variable rates on the different classes of shares.

### 11 Reserves

Called-up share capital – represents the nominal value of shares that have been issued.

Share premium account- includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Profit and loss account – includes all current and prior period retained profits and losses.

### 12 Commitments under operating leases

At 31 March 2019 the Company had aggregate annual commitments under non-cancellable operating leases as set out below:

	2019 £'000	2018 £'000
<b>Land and buildings</b>		
Within one year	-	52
Within two and five years	-	-
	<u>-</u>	<u>52</u>
<b>Other</b>		
Within one year	2	46
Within two and five years	-	4
	<u>2</u>	<u>50</u>

### 13 Contingencies

There is a cross guarantee between members of the Jaywing plc group of companies on all bank overdrafts and borrowings with Barclays Bank plc. At 31 March 2019 the amount thus guaranteed by the company was £11,232,000 (2018: £12,380,000).

## Notes to the financial statements

### 14 Controlling party

The ultimate parent undertaking and controlling related party of this Company is its parent company, Jaywing plc, by virtue of its 100% shareholding in the Company.

The largest and smallest group of undertakings for which group accounts have been drawn up is that headed by Jaywing plc. Copies of the group accounts can be obtained at Albert Works, 71 Sidney Street, Sheffield, South Yorkshire, S1 4RG.

### 15 Retirement benefits

#### Defined Contribution Schemes

The Company operates a defined contribution 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 £43,663 (2018: £35,951) with the financial year end pension creditor being £3,701 (2018: £nil).

### 16 Transactions with directors

Data City Innovation Limited, the company of which Alex Craven is a shareholder, was invoiced £nil for services provided by during the year, (2018: £52,250).

The Sipping Shed limited, the company of which Alex Craven is a shareholder, was invoiced £25,000 for services provided by during the year, (2018: £24,780).

### 17 Share based payments

Employees of the Company are entitled to participate an equity and cash-settled share option scheme operated by the Company's ultimate parent company Jaywing plc.

The options are granted with a fixed exercise price and have a remaining vesting period of up to 2 years. The vesting conditions relate to the performance the overall Jaywing plc group during the vesting period and continued employment. There are no other market conditions attached to the share options.

The number of options outstanding at the end of the year in respect of Company employees was 165,000 (2018: nil).

No share options were exercised during the year. The exercise price for share options outstanding was 5p. The remaining contractual life of the share options was between 1 year and 2 years.

During the year, the cost of equity settled share based payments recognised in the profit and loss was £5,761, (2018: £nil).