
RHIZOME MEDIA LIMITED

UNAUDITED
FILLETED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017



RHIZOME MEDIA LIMITED
REGISTERED NUMBER: 05213621

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	2017 £	2016 £
Fixed assets			
Intangible assets	4	494,669	21,667
Tangible assets	5	25,469	4,594
		<u>520,138</u>	<u>26,261</u>
Current assets			
Debtors due within one year	6	137,046	446,891
Cash at bank and in hand	7	123,986	73,322
		<u>261,032</u>	<u>520,213</u>
Creditors due within one year	8	(236,319)	(215,310)
Net current assets		<u>24,713</u>	<u>304,903</u>
Total assets less current liabilities		<u>544,851</u>	<u>331,164</u>
Creditors due after more than one year	9	(245,825)	(185,904)
Net assets		<u><u>299,026</u></u>	<u><u>145,260</u></u>
Capital and reserves			
Called up share capital		1,666	1,666
Profit and loss account		297,360	143,594
		<u><u>299,026</u></u>	<u><u>145,260</u></u>

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

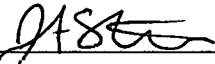
The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the profit and loss account in accordance with provisions applicable to companies subject to the small companies' regime.

RHIZOME MEDIA LIMITED
REGISTERED NUMBER: 05213621

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2017

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


J Stevens
Director

Date: 20/8/2018.

RHIZOME MEDIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

1. General information

Rhizome Media Limited is a private company, limited by shares and domiciled in England and Wales. The registered address is 10 Margaret Street, London England, W1W 8RL.

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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The presentation and functional currency is £ sterling.

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. Revenue from a contract to provide services is recognised in the period in which the services are provided.

2.3 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.4 Tangible fixed assets

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Motor vehicles	- 25.00% written down value
Office equipment	- 33.33% straight line
Computer equipment	- 33.33% straight line

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment.

RHIZOME MEDIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

2. Accounting policies (continued)

2.6 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable.

2.7 Creditors

Short term creditors are measured at the transaction price.

2.8 Dividends

Equity dividends have been recognised when they became legally payable.

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 the Profit and loss account 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 Interest income

Interest income is recognised in the Profit and loss account using the effective interest method.

2.11 Taxation

Tax is recognised in the Profit and loss account, 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.

2.12 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.

3. Employees

The average monthly number of employees, including directors, during the year was 7 (2016 - 4).

RHIZOME MEDIA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

4. Intangible assets

	Intellectual Property £
Cost	
At 1 September 2016	40,000
Additions	486,335
At 31 August 2017	<u>526,335</u>
Amortisation	
At 1 September 2016	18,333
Charge for the year	13,333
At 31 August 2017	<u>31,666</u>
Net book value	
At 31 August 2017	<u><u>494,669</u></u>
At 31 August 2016	<u><u>21,667</u></u>

On 31 August 2017 the company acquired the business including the intangible and tangible assets of Rhizome Media Partners LLP ("LLP"), for a total consideration of £504,474. Prior to the acquisition date, the LLP carried on the business of media, PR, and social media services under licence from the company. The licence was terminated on the date of the acquisition and the company acquired the trade of the LLP. All clients previously serviced by the LLP continued to be serviced by the company. The acquisition costs have been capitalised in the company accounts and it is intended that they will be amortised over 3 years on a straight-line basis.

RHIZOME MEDIA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

5. Tangible fixed assets

	£
Cost or valuation	
At 1 September 2016	7,590
Additions	25,656
Disposals	(1,353)
At 31 August 2017	31,893
Depreciation	
At 1 September 2016	2,996
Charge for the year on owned assets	4,781
Disposals	(1,353)
At 31 August 2017	6,424
Net book value	
At 31 August 2017	25,469
At 31 August 2016	4,594

6. Debtors

	2017 £	2016 £
Trade debtors	107,838	423,825
Other debtors	13,818	19,330
Prepayments and accrued income	15,390	3,736
	137,046	446,891

RHIZOME MEDIA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

7. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	123,986	73,322
	<u>123,986</u>	<u>73,322</u>

8. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	11,864	5,981
Amounts owed to participating interests	7,240	-
Corporation tax	53,557	34,787
Other taxation and social security	27,364	71,156
Obligations under finance lease and hire purchase contracts	2,986	-
Other creditors	3,846	2,711
Accruals and deferred income	129,462	100,675
	<u>236,319</u>	<u>215,310</u>

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

	2017 £	2016 £
Obligations under finance leases and hire purchase contracts	10,701	-
Accruals and deferred income	235,124	185,904
	<u>245,825</u>	<u>185,904</u>

RHIZOME MEDIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

10. Related party transactions

During the accounting period Rhizome Media Limited ("RML") were under a Licence Agreement with Rhizome Media Partners LLP ("RMP"). RML and RMP are related by virtue of the fact that Mr Jonathan Stevens and Mr Dominic Hiatt are Shareholders and Directors of RML as well as designated Members of RMP.

During the period there were charges between RML and RMP as follows: a revenue share due from RML to RMP of £937,230; operating cost recharges due from RMP to RML of £631,540; licence fees due from RMP to RML of £281,169.

Included in other creditors is an amount of £7,240 (2016 - £335,741 (*debtor*)) owed by the company to Rhizome Media LLP, a company in which Mr D Hiatt and Mr J Stevens are Designated Members.

Included in other debtors, is an amount of £1,572 (2016 - £Nil) due from Mr D Hiatt and an amount of £1,572 (2016 - £Nil) due from Mr J Stevens, whom are the directors in the company.

11. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.