


Gold Key Media Limited

Annual report and financial statements

For the year ended 31 December 2021

Company Registered No. 11024864

FI THURSDAY



ABFZAKRU
A10 03/11/2022 #14
COMPANIES HOUSE
ABDNA5WY
A05 30/09/2022 #127
COMPANIES HOUSE

Gold Key Media Limited

Company Information

For the period ended 31 December 2021.

| | |
|-------------------------------------|---|
| Company Registration Number: | 11024864 |
| Registered Office: | Media House Peterborough Business Park Lynchwood Peterborough PE2 6EA |
| Trading Address: | 2 East Poultry Avenue London EC1A 9PT |
| Directors: | F Straetmans S Pickersgill |
| Secretary: | Bauer Group Secretariat Limited |
| Auditors: | KPMG LLP 15 Canada Square London E14 5GL |

Gold Key Media Limited

Contents

| | Page |
|---|---------|
| Directors' Report | 1 - 2 |
| Directors' Responsibilities Statement | 3 |
| Independent Auditor's Report to the members of Gold Key Media Limited | 4-6 |
| Profit and Loss Account | 7 |
| Balance Sheet | 8 |
| Statement of Changes in Equity | 9 |
| Notes to the Financial Statements | 10 - 21 |

Gold Key Media Limited

Directors' Report

For the year ended 31 December 2021

The directors present their annual report together with the audited financial statements for the year ended 31 December 2021.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law, and Section 1A of FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (UK Generally Accepted Accounting Practice applicable to smaller entities).

The profit for the period, after taxation, amounted to £117,000 (2020 – £1,266,000 loss)

An interim dividend of £NIL was paid during the year (2020 - £NIL) and the directors do not recommend the payment of a final dividend.

Directors

The directors who served during the period were:

F C Straetmans
S E Pickersgill

Political donations

The company made no political donations or incurred any political expenses during the year (2020: Nil)

Future developments

The directors continue to rebuild the business after supplies to the hospitality industry were significantly impacted by the covid pandemic. Demand is still strong and growing for brand activation work, and the team are focussed on driving and growing turnover whilst maintaining strong cost control and efficiencies.

Economic forecasts suggest we may soon enter a period of high inflation. Publishers tend to uplift print cover prices to offset increased costs and it may not always be possible to pass these costs on to customers, potentially squeezing margins on this revenue stream. Digital services are less exposed to such volatility whilst service revenues tend to be based on the bespoke requirements of the client.

Statement of 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 directors are aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the directors have 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.
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or

Going concern

Notwithstanding net current liabilities of £2,527,000 (2020: 2,952,000) and net liabilities of £1,147,000 (2020: £1,264,000) the financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the Company will have sufficient funds to meet its liabilities as they fall due for that period.

Those forecasts are dependent on Frontline Limited not seeking repayment of the amounts currently due to it, which at 31st December 2021 amounted to £3,526,000. Frontline Limited has indicated its intention to continue to make available such funds as are needed by the Company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of the approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Post balance sheet events

There were no post balance sheet events.

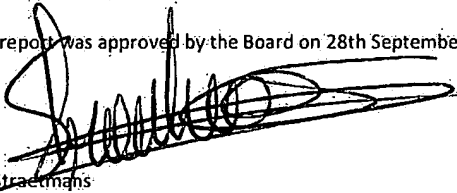
Auditor

The auditor, KPMG LLP is the appointed auditor for the year ended 31 December 2021. Pursuant to section 487 of the Companies Act, KPMG LLP is deemed to have been reappointed as auditor and will therefore continue in office.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

The report was approved by the Board on 28th September 2022 and signed on its behalf.



F.C. Straetmans

Director

Date: 28th September 2022

Gold Key Media Limited
Media House
Peterborough Business Park
Lynchwood
Peterborough
Cambridgeshire
PE2 6EA

Gold Key Media Limited

Directors' Responsibilities Statement

For the year ended 31 December 2021

The directors are responsible for preparing 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law, and Section 1A of FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

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 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 they comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Gold Key Media Limited

Independent Auditor's Report to the Members of Gold Key Media Limited

Opinion

We have audited the financial statements of Gold Key Media Limited ("the company") for the year ended 31 December 2021 which comprise the Profit and Loss Account and Retained Earnings, Balance Sheet and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards applicable to smaller entities, including Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations; and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee the company will continue in operation.

Fraud and breaches of laws and regulations - ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and inspection of policy documentation as to the Company's high-level policies and procedures to the Company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Considering remuneration incentive schemes and performance targets for management.
- Using analytical procedures to identify any usual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet targets, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that revenue is recorded in the wrong period and the risk that management may be in a position to make inappropriate accounting entries.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors and other management (as required by auditing standards), and from inspection of the Company's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, taxation legislation, and pensions legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as the most likely to have such an effect: health and safety, anti-bribery, employment law, GDPR, and environmental protection legislation recognising the nature of the Company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover this report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in the report for the financial year is consistent with the financial statements; and
- in our opinion the report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the company, 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;
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime, take advantage of the small companies exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



George Awusu (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
Date: 28th September 2022

Gold Key Media Limited
Profit and Loss Account and Retained Earnings
For the year ended 31 December 2021

| | Notes | Year ended 31 Dec 2021 £'000 | Year ended 31 Dec 2020 £'000 |
|--|-------|------------------------------------|------------------------------------|
| Turnover | 4 | 4,726 | 5,155 |
| Cost of sales | | (752) | (1,058) |
| Gross profit | | 3,974 | 4,097 |
| Distribution costs | | (2,380) | (2,531) |
| Administrative expenses | | (1,568) | (3,074) |
| Other Income | | 74 | 176 |
| Operating profit / (loss) - continuing operations | 6 | 100 | (1,332) |
| Interest receivable | 10 | - | 5 |
| Interest payable and expenses | 11 | (30) | - |
| Profit / loss on ordinary activities before tax | | 70 | (1,327) |
| Tax on profit on ordinary activities | 12 | 47 | 61 |
| Profit / loss for the financial year | | 117 | (1,266) |

There are no recognised gains and losses other than those stated above.

| | | |
|--|---------|---------|
| Retained earnings at the beginning of the period | (1,264) | 2 |
| Profit for the period | 117 | (1,266) |
| Retained earnings at the end of the period | (1,147) | (1,264) |

The notes on pages 10 to 21 form part of these accounts.

Gold Key Media Limited

Balance Sheet

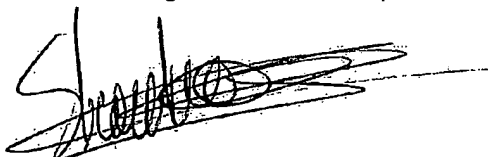
As at 31 December 2021

Company number: 11024864

| | Notes | Year ended 31 Dec 2021 | Year ended 31 Dec 2020 |
|---|-------|---------------------------|---------------------------|
| | | £'000 | £'000 |
| Fixed assets | | | |
| Intangible assets | 13 | 1,271 | 1,515 |
| Tangible assets | 14 | 108 | 173 |
| | | <u>1,379</u> | <u>1,688</u> |
| Current assets | | | |
| Debtors: amounts falling due after more than one year | 15 | 47 | 1 |
| Debtors: amounts falling due within one year | 15 | 1,122 | 922 |
| Cash at bank and in hand | 16 | 878 | 896 |
| | | <u>2,047</u> | <u>1,819</u> |
| Operating profit / (loss) - continuing operations | | | |
| Creditors: amounts falling due within one year | 17 | (4,573) | (4,771) |
| | | <u>(2,526)</u> | <u>(2,952)</u> |
| Net current liabilities | | | |
| | | <u>(2,526)</u> | <u>(2,952)</u> |
| Total assets less current liabilities | | <u>(1,147)</u> | <u>(1,264)</u> |
| Creditors: amounts falling due after more than one year | | - | - |
| Net assets | | <u>(1,147)</u> | <u>(1,264)</u> |
| Capital and reserves | | | |
| Called up share capital | | - | - |
| Profit and loss account | 20 | (1,147) | (1,264) |
| | | <u>(1,147)</u> | <u>(1,264)</u> |

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 were approved and authorised for issue by the Board of Directors on 28th September 2022 and were signed on its behalf by:



F Straetmans
Director

Date: 28th September 2022

The notes on pages 10 to 21 form part of these accounts.

Gold Key Media Limited
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2021

| | Profit and loss account | Total Equity |
|--|----------------------------|-----------------------|
| | £'000 | £'000 |
| At 1 January 2020 | 2 | 2 |
| Comprehensive income for the year | | |
| Profit for the year | (1,266) | (1,266) |
| Total comprehensive income for the year | <u>(1,266)</u> | <u>(1,266)</u> |
| At 1 January 2021 | (1,264) | (1,264) |
| Comprehensive income for the period | | |
| Profit for the year | 117 | 117 |
| Total comprehensive income for the period | <u>(1,147)</u> | <u>(1,147)</u> |
| At 31 December 2021 | <u><u>(1,147)</u></u> | <u><u>(1,147)</u></u> |

The notes on pages 10 to 21 form part of these financial statements

Gold Key Media Limited
Notes to the Financial Statements
For the year ended 31 December 2021

1 General information

Gold Key Media Limited (the "Company") is a private company, limited by shares, domiciled in England and Wales, registration number 11024864. The registered address is Media House, Peterborough Business Park, Lynchwood, Peterborough, Cambridgeshire, PE2 6EA.

Principal activities are the sales of print and digital magazines and newspapers to a number of venues including hotels, and the provision of various brand activation services.

2 Accounting Policies

2.1 Basis of preparation

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with UK accounting standard applicable to smaller entities, including Section 1A of FRS 102 The Financial Reporting Standard applicable in the UK and the Republic of Ireland.

The presentation currency of these financial statements is £ sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

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":

- Cash flow statement and related notes; and
- Key management personnel compensation.

The information is included in the consolidated financial statements of Frontline Limited as at 31st December 2021 and these financial statements may be obtained from Media House, Peterborough Business Park, Lynchwood, Peterborough, Cambridgeshire, PE2 6EA.

2.3 Going concern

Notwithstanding net current liabilities of £2,527,000 (2020: £2,952,000) and net liabilities of £1,147,000 (2020: net liabilities £1,264,000) the financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons:

The Directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the Company will have sufficient funds to meet its liabilities as they fall due for that period.

Those forecasts are dependent on Frontline Limited not seeking repayment of the amounts currently due to it, which at 31st December 2021 amounted to £3,526,000. Frontline Limited has indicated its intention to continue to make available such funds as are needed by the Company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. As with any company placing reliance on the other group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the Directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

2 Accounting Policies (continued)

Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account except for differences arising on the retranslation of qualifying cash flow hedges and items which are fair valued with changes taken to other comprehensive income, which are recognised in other comprehensive income.

2.5 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.6 Government grants

The company recognises government grants only when there is reasonable assurance that the entity will comply with the conditions attached to them and the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised in profit or loss of the period in which it becomes receivable.

Government grants related to assets, including non-monetary grants at fair value, are presented in the statement of financial position either by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset.

Grants related to income are sometimes presented as a credit in the statement of comprehensive income, either separately or under a general heading such as 'Other income'; alternatively, they are deducted in reporting the related expense.

If a government grant becomes repayable, the effect is accounted for as a change in accounting estimate. The government grants relating to the job retention scheme is recognised as other income in the comprehensive statement of income.

2.7 Interest income

Interest income is recognised in the Profit and Loss Account using the effective interest method.

Gold Key Media Limited

Notes to the Financial Statements

For the year ended 31 December 2021

2 Accounting Policies (continued)

2.8 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.

2.9 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. 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. 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.

2.10 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less 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. The estimated useful lives range as follows:

Trademarks - 10 years

Customer contracts - 5 years

Accounting Policies (continued)

2.11 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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.

The estimated useful lives range as follows:

Fixtures and fittings - 3 to 5 years

Computer equipment - 3 - 5 years

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 the Profit and Loss Account.

2.12 Impairment of fixed assets

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

2.13 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.

Gold Key Media Limited
Notes to the Financial Statements
For the year ended 31 December 2021

2 Accounting Policies (continued)

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 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Balance Sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Balance Sheet date.

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, loans to related parties and investments in non-puttable ordinary shares

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and Loss Account.

3 Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the accounting policies and the reported amounts of assets, liabilities, income and expenses. These are continually assessed based on factors such as historical experience and likely outcomes of future events. The following judgements and estimates have had the most significant effect on amounts recognised in the financial statements.

Impairment of debtors - The Company makes an estimate of the recoverable values of trade and other debtors. The current credit rating of the debtor, the ageing of the debt and historical experience of debtors are used by management in assessing impairment of trade and other debtors.

Impairment of intangible assets - The Company makes an estimate of future revenues to inform the current valuation of intangible assets.

Gold Key Media Limited
Notes to the Financial Statements
For the year ended 31 December 2021

4 Turnover

Turnover and operating profit/(loss) before taxation are primarily attributable to the sale of print and digital newspapers and magazines and services to publishers.

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

| | 31st Dec 2021 | 31st Dec 2020 |
|------------------------|------------------|------------------|
| | £'000 | £'000 |
| Media sales | 1,708 | 2,232 |
| Media related services | 3,018 | 2,923 |
| | <u>4,726</u> | <u>5,155</u> |

An analysis of turnover by geographical market is given below:

| | 31st Dec 2021 | 31st Dec 2020 |
|-------------------|------------------|------------------|
| | £'000 | £'000 |
| United Kingdom | 4,283 | 4,666 |
| Rest of Europe | 286 | 198 |
| Rest of the World | 157 | 291 |
| | <u>4,726</u> | <u>5,155</u> |

5 Other income

| | 31st Dec 2021 | 31st Dec 2020 |
|-----------------------|------------------|------------------|
| CIRS Government Grant | 74 | 176 |
| | <u>74</u> | <u>176</u> |

6 Operating profit/(loss)

Operating profit/(loss) is stated after charging:

| | 31st Dec 2021 | 31st Dec 2020 |
|-----------------------------|------------------|------------------|
| | £'000 | £'000 |
| Amortisation of Intangibles | 244 | 346 |
| Impairment -trademark | - | 700 |
| Operating lease rentals | - | 95 |
| Depreciation | 54 | 83 |
| Exchange differences | 29 | (3) |

7 Auditor's remuneration

Fees payable to the Company's auditors and its associates for the audit of the Company's annual financial statements

| | 31st Dec 2021 | 31st Dec 2020 |
|--|------------------|------------------|
| | £'000 | £'000 |
| | 16 | 14 |

Gold Key Media Limited
Notes to the Financial Statements
For the year ended 31 December 2021

| | | | |
|----------|-----------------------|--------------------------|--------------------------|
| 8 | Employees | 31st Dec 2021 | 31st Dec 2020 |
| | | £'000 | £'000 |
| | Wages and salaries | 978 | 1,402 |
| | Social security costs | 102 | 127 |
| | Other pension costs | 52 | 63 |
| | | 1,132 | 1,592 |

The monthly average number of employees during the period was as follows:

| | | |
|-----------------------------------|--------------------------|--------------------------|
| | 31st Dec 2021 | 31st Dec 2020 |
| | No. | No. |
| Sales, marketing and distribution | 10 | 24 |
| Administration | 10 | 12 |
| | 20 | 36 |

9 Directors' remuneration

All employees, including executive directors, have contracts of service with a fellow group company, Frontline Publishing Services Limited. Staff costs have been charged to the company based on the time spent by each individual working on company activities.

During the period no directors received emoluments.

The Company has applied the disclosure exemption relating to key management personnel.

| | | | |
|-----------|----------------------------|--------------------------|--------------------------|
| 10 | Interest receivable | 31st Dec 2021 | 31st Dec 2020 |
| | Other interest receivable | - | 5 |
| | | - | 5 |

| | | | |
|-----------|---|--------------------------|--------------------------|
| 11 | Interest payable | 31st Dec 2021 | 31st Dec 2020 |
| | Other interest payable and similar expenses | (30) | - |
| | | (30) | - |

| | | | |
|-----------|--|--------------------------|--------------------------|
| 12 | Taxation | 31st Dec 2021 | 31st Dec 2020 |
| | Corporation tax | £'000 | £'000 |
| | Current tax for the year | - | (73) |
| | Adjustments in respect of previous periods | - | 5 |
| | Total current tax | - | (68) |

Gold Key Media Limited
Notes to the Financial Statements
For the year ended 31 December 2021

12 Taxation (continued)

Deferred tax:

| | | |
|--|-------------|----------|
| Adjustment to tax charge in respect of prior periods | - | 7 |
| Origination and reversal of timing differences | (47) | - |
| Total deferred tax | (47) | 7 |
| Taxation on ordinary activities | (47) | (61) |

Factors affecting tax charge for the period:

The tax assessed for the period is lower than the effective standard rate of corporation tax in the UK of 19% (2020 - higher than 19%). The differences are explained below:

| | 31st Dec 2021 | 31st Dec 2020 |
|--|------------------|------------------|
| Profit/(loss) on ordinary activities before tax | 70 | (1,327) |
| Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% | 13 | (252) |
| Effects of: | | |
| Tax rate changes | (53) | (3) |
| Expenses not deductible for tax purposes, other than goodwill amortisation and impairment | (9) | (24) |
| Adjustments to tax charge in respect of prior periods | - | 12 |
| Fixed assets differences | 6 | - |
| Movement in unrecognised deferred tax | (4) | 206 |
| Total tax charge for the period | (47) | (61) |

Factors that may affect future tax charges

The statutory UK corporation tax rate is currently 19%. Finance Bill 2021 enacted provisions to increase the main rate of UK corporation tax to 25% from 1 April 2023 which may impact deferred tax calculations in these financial statements:

13 Intangible assets

| | Trademark | Customer Contracts & Other | Total |
|---------------------|--------------|-------------------------------|--------------|
| | £'000 | £'000 | £'000 |
| Cost | | | |
| At 1 January 2021 | 3,161 | 194 | 3,355 |
| At 31 December 2021 | 3,161 | 194 | 3,355 |

Gold Key Media Limited
Notes to the Financial Statements
For the year ended 31 December 2021

13 Intangible Assets (continued)

| | | | |
|---|--------------|------------|--------------|
| Amortisation | | | |
| At 1 January 2021 | 1,701 | 139 | 1,840 |
| Charge for the period | 214 | 30 | 244 |
| At 31 December 2021 | 1,915 | 169 | 2,084 |
| Net book value at 31 December 2021 | 1,246 | 25 | 1,271 |
| Net book value at 31 December 2020 | 1,460 | 55 | 1,515 |

Impairment tests for Intangible assets

Impairment tests on intangible assets are carried out annually. For 2021 the recoverable amount is ahead of the carrying amount and therefore no additional impairment is deemed necessary.

At 31st December 2021, the Directors considered there to be an indication of impairment relating to the expected future royalty stream in respect of the carrying amount of the trademark, and therefore tested for impairment. The impairment test resulted in an impairment charge of NIL (2020: £700,000).

Changes to royalty rates and the underlying performance of business may affect the estimate of recoverable amounts.

Other assumptions below that influence estimated recoverable amounts at 31st December 2021 are set out below.

Growth rate to perpetuity: 2%

Post-tax discount rate: 6.8%

Sensitivity of recoverable amounts

At 31st December 2021 the analysis of the recoverable amounts gave rise to the following assessments of sensitivity:

Actual revenue would have to fall by more than 20% below our base case to generate any impairment.

14 Tangible fixed assets

| | Fixtures and Fittings | Computer Equipment | Total |
|---|-----------------------|--------------------|------------|
| | £'000 | £'000 | £'000 |
| Cost | | | |
| At 1 January 2021 | 78 | 281 | 359 |
| Additions | - | 3 | 3 |
| Disposals | - | (14) | (14) |
| At 31 December 2021 | 78 | 270 | 348 |
| Depreciation | | | |
| At 1 January 2021 | 68 | 118 | 186 |
| Charge for the period on owned assets | 7 | 47 | 54 |
| At 31 December 2021 | 75 | 165 | 240 |
| Net book value at 31 December 2021 | 3 | 105 | 108 |
| Net book value at 31 December 2020 | 10 | 163 | 173 |

15 Debtors

| | 2021 | 2020 |
|-------------------------------------|-----------|----------|
| | £'000 | £'000 |
| Due after more than one year | | |
| Deferred tax asset | 47 | 1 |
| | 47 | 1 |

Gold Key Media Limited
Notes to the Financial Statements
For the year ended 31 December 2021

15 Debtors (continued)

Due within one year

| | | |
|------------------------------------|--------------|------------|
| Trade debtors | 963 | 714 |
| Amounts owed by group undertakings | 123 | 151 |
| Other debtors | 11 | 49 |
| Prepayments & accrued income | 25 | 8 |
| | <u>1,122</u> | <u>922</u> |

16 Cash and cash equivalents

| | | |
|--------------------------|-------------|-------------|
| | <u>2021</u> | <u>2020</u> |
| | £'000 | £'000 |
| Cash at bank and in hand | 878 | 896 |
| | <u>878</u> | <u>896</u> |

17 Creditors: amounts falling due within one year

| | | |
|------------------------------------|--------------|--------------|
| | <u>2021</u> | <u>2020</u> |
| | £'000 | £'000 |
| Trade creditors: | 128 | 249 |
| Amounts owed to group undertakings | 3,555 | 4,046 |
| Taxation and social security | 126 | 130 |
| Accruals and deferred income | 764 | 326 |
| Other creditors | - | 20 |
| | <u>4,573</u> | <u>4,771</u> |

18 Deferred taxation

| | | |
|---------------------------|-------------|-------------|
| | <u>2021</u> | <u>2020</u> |
| | £'000 | £'000 |
| At beginning of year | 1 | 8 |
| Charged to profit or loss | 47 | (7) |
| | <u>48</u> | <u>1</u> |

The deferred tax asset is made up as follows:

| | | |
|--------------------------------|-------------|-------------|
| | <u>2021</u> | <u>2020</u> |
| | £'000 | £'000 |
| Accelerated capital allowances | 17 | - |
| Short term trading differences | 31 | - |
| Tax losses | - | 1 |
| | <u>48</u> | <u>1</u> |

Gold Key Media Limited
Notes to the Financial Statements
For the year ended 31 December 2021

19 Share capital

| | 2021 | 2020 |
|------------------------------------|-------|-------|
| | £'000 | £'000 |
| Allotted, called up and fully paid | | |
| 1 Ordinary share of £1.00 | - | - |

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company.

20 Reserves

Reserves consist of the profit/(loss) to date of (£1,147,000). There is no distribution to the shareholders declared.

21 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. Contributions totalling £52,000 (2020: £63,000) were payable to the fund for the year and no liability existed at the reporting date.

22 Related party disclosures

The directors consider the following companies to be related parties during the period for the following reasons:

| Related Party | By virtue of |
|---|--|
| Bauer Consumer Media Limited and H Bauer Publishing Limited | Being members of the ultimate parent company group |
| Frontline Limited and its subsidiaries | Frontline Limited being the immediate parent undertaking |
| Immediate Media Company London Limited | Being entities with significant influence |

| | 2021 | 2020 |
|--|-------|-------|
| | £'000 | £'000 |
| Sales to group undertakings | 74 | 75 |
| Purchases from group undertakings | 1 | 3 |
| Trade debtors from group undertakings | 14 | 11 |
| Sales to entities with significant influence | 10 | 16 |
| Purchases from entities with significant influence | - | 3 |

The Company is exempt under the terms of Financial Reporting Standard 102 from disclosing related party transactions with entities that are wholly owned within the Frontline Limited group. All related party transactions are unsecured and cash settled.

23 Controlling party

The controlling parent company of Gold Key Media Limited is Frontline Limited, a company registered in England and Wales. Frontline Limited is the parent company of the smallest group into which the Company's results are consolidated.

The ultimate parent company of Gold Key Media Limited is Heinrich Bauer Verlag Beteiligungs GmbH, which is incorporated in Germany situated in Burchardstr 11, Brieffach 4656, 20077 Hamburg Deutschland and is the parent company of the largest group into which the Company's results are consolidated.

The consolidated accounts may be obtained from Media House, Lynchwood, Peterborough Business Park, Peterborough, PE2 6EA.