Registered number: 01138891

# DENNIS PUBLISHING LIMITED

## ANNUAL REPORT AND FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2021

**DENNIS PUBLISHING LIMITED**

**COMPANY INFORMATION**

| | |
|---|---|
| **Directors** | Z E Byng-Thorne (appointed 1 October 2021)<br>P A Ladkin-Brand (appointed 1 November 2021) |
| **Registered number** | 01138891 |
| **Registered office** | Quay House,<br>The Ambury,<br>Bath,<br>BA1 1UA<br>United Kingdom |
| **Independent auditors** | PricewaterhouseCoopers LLP<br>1 Embankment Place<br>London<br>WC2N 6RH<br>United Kingdom |

**DENNIS PUBLISHING LIMITED**

**CONTENTS**

# GROUP STRATEGIC REPORT
# FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors present their strategic report, the report of the Directors and the audited consolidated financial statements of Dennis Publishing Limited (the 'Company') and its subsidiaries (the 'Group') for the year ended 31 December 2021.

## Principal activities

The Group was engaged in a media business providing customers with information and intelligence across the current affairs, financial, special interest and technology sectors.

Turnover is primarily earned from subscriptions and advertising with ancillary revenue sources including advertising, demand generation, retail sales and content syndication.

The Group also operated an ecommerce business selling used vehicles and related finance and warranty products through an ecommerce platform under the brand of BuyaCar.

## Business review

On 1 January 2021 the Company's trade and assets relating to its automotive media assets were transferred to Autovia Limited (formerly Broadleaf Newco Limited), a company in the Broadleaf Topco Limited Group. On the same day, the license of the automotive trademarks between the Company and Broadleaf Bidco Limited was cancelled. On 25 March 2021, the Company transferred its investment in Buyacar Limited (formerly Dennis Buyacar Limited) to Autovia Limited. Effective 1 September 2021, the Company's trade and assets relating to the Cyclist, Viz and Fortean Times publications and the Expert Reviews brand were transferred to four new subsidiary companies. On 28 September 2021 the four new subsidiaries were sold. On 29 September 2021, the Broadleaf Topco Limited Group was restructured and Broadleaf Newco 2 Limited replaced Broadleaf Topco Limited to form the Broadleaf Newco 2 Limited Group containing the Company.

On 1 October 2021, Future US LLC, a subsidiary of Future plc, acquired 100% of the share capital of Broadleaf Newco 2 Limited and on 8 November 2021, the employees of the Company were transferred under a TUPE arrangement to Future Publishing Limited.

On 1 December 2021, Future Holdings 2002 Limited acquired 100% of the share capital of the Company and on 1 January 2022 the Company's trade and assets were transferred to Future Publishing Limited and the Company ceased to trade.

## Results and financial position

The Group's results have been impacted by the restructuring within the group held by the Company and as part of the sale to the Future plc group.

The turnover for the year was £73.7m (2020: £126.9m) with an operating profit of £17.2m (2020: £1.5m) and a profit before tax of £17.9m (2020: £2.2m). The results for the year are set out on page 14 of these financial statements.

The reduction in turnover in the year is primarily due to the comparative 2020 figure including a full year of Buyacar Limited (formerly Dennis Buyacar Limited) and Automotive Brands turnover and the 2021 turnover only including Buyacar Limited (formerly Dennis Buyacar Limited) turnover until 25 March 2021 and no Automotive Brands turnover.

## GROUP STRATEGIC REPORT (CONTINUED)
## FOR THE YEAR ENDED 31 DECEMBER 2021

The increase in operating profit in the year is primarily due to a profit of £13.1m on the transfer of trade and assets relating to the Cyclist, Viz and Fortean Times publications and the Expert Reviews brand to four new subsidiary companies and profit on their subsequent disposal. Also, the comparative 2020 figure included a full year operating loss incurred by Buyacar Limited (formerly Dennis Buyacar Limited) and the 2021 consolidated operating profit was only reduced by a Buyacar Limited (formerly Dennis Buyacar Limited) operating loss until 25 March 2021.

The increase in the profit before tax in the year is primarily due to the increase in operating profit. The Group's adjusted EBITDA was £13.5m (2020: £9.7m).

| | **2021 (£'m)** | Unaudited 2020 (£'m) |
|---|---|---|
| EBITDA* | **20.5** | 3.6 |
| Exceptional expenses (note 5) | **5.4** | 6.0 |
| Exceptional profit on disposal of businesses (note 5) | **(13.5)** | (0.3) |
| Share-based payment accounting (note 25) | **1.1** | 0.2 |
| Other significant adjusting items | **0.0** | 0.2 |
| Adjusted EBITDA* | **13.5** | 9.7 |

*EBITDA is defined as operating profit before depreciation and amortisation. Adjusted EBITDA is defined as operating profit before exceptional and non-recurring costs, interest, taxation, depreciation and amortisation

The exceptional costs incurred in 2021 are detailed in note 5 to these financial statements and relate principally to the restructuring and sale of businesses. The share based payment accounting charge is the annual accounting charge relating to the provision of shares to employees via an employee incentive trust (note 25). These shares, under FRS 102, meet the definition of equity settled shared based payments and the non-cash accounting charge in the year is £1.1m (2020: £0.2m).
Other significant adjusting items of £0.0m (2020: £0.2m) relate to non-recurring costs incurred as a result of changes made to business operations.

The Group has net current assets of £3.0m (2020: liabilities of £4.6m) and net assets of £20.5m (2020: net assets of £0.0m).

The increase in net current assets and net assets in 2021 is primarily due to the operating profit and profit on sale of the four subsidiary companies operating the trade and assets of the Cyclist, Viz and Fortean Times publications and the Expert Reviews brand. The £8m of deferred consideration included in current assets is receivable on 1 October 2022. The share capital was also increased by £1.2m and the deduction of £2.2m for controlling interests eliminated as a result of the group restructuring.

The Directors are satisfied with the results for the year and the Group's Balance Sheet.

### Key performance indicators ('KPIs')

The Group relied on various KPIs, which were regularly reviewed by the management team and board. The main KPIs are turnover and adjusted EBITDA which is defined as operating profit before exceptional and non-recurring costs, interest, taxation, depreciation and amortisation. This is the main financial performance measure for the company and is covered earlier in this report.

### Future developments

On 1 January 2022, the Company transferred its trade, related assets and liabilities to Future Publishing Limited and ceased to trade from this date. The total consideration of £97.6m resulted in a profit on disposal of £89.7m.

**Statement by the Directors in performance of their statutory duties in accordance with s172(1) Companies Act 2006**

The directors of the Group, as for all UK companies, must act in accordance with the general duties set out in section 172 of the Companies Act 2006. This is summarised as follows:

A director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members a whole, and in doing so have regard (amongst other matters) to:

- the likely consequences of any decision in the long term,
- the interests of the company's employees,
- the need to foster the company's business relationships with suppliers, customers and others,
- the impact of the company's operations on the community and the environment,
- the desirability of the company maintaining a reputation for high standards of business conduct, and
- the need to act fairly as between members of the company.

Strategic decisions

The Group operated in a challenging market where constant innovation is required to provide growth in digital media offsetting structural declines in circulation of printed media. This has required continuing rebalancing of the cost base and product development to maintain revenue and profitability whilst engaging and communicating with all stakeholders including suppliers, customers and employees. The acquisition of the Group by the Future group has unlocked a significant opportunity to leverage Future's digital platform across the range of title rights held by the Group.

Our employees

Employees were essential to the Group's interaction with other stakeholders and their individual commitment ensures successful trading and development of the business. The Group invested in employees through training, remuneration and incentive schemes. Assessing health and safety for employees had been paramount in the Covid-19 outbreak as well as the safety of those who employees came into contact with. This guided the actions taken and resulted in more home working with a managed return to office activity and a risk assessed combination of home and office working.

The Broadleaf Topco Limited Group, of which the Group was a part of, provided share-based payment arrangements to certain employees. This encouraged employee involvement in the Group's performance. For further details on the employee engagement refer to the employees section of the strategic report on page 7.

Employees were informed of the performance and prospects of the Group and encouraged to become aware of the financial and economic factors which affect the overall group and its ability to compete in the marketplace.

Business relationships

Customer relationships and high standards of service were key to maintaining and growing the Group's business. The Group had a diverse customer base and sought to provide the right range of titles and content to enhance sales both directly and through retail customers. Ongoing communication occurred through management and the sales team with major customers. Where appropriate, rebates or incentives were agreed to drive and share in the benefit of increased sales.

Suppliers were key to the business in respect of printed product, distribution, IT and facilities in ensuring business continuity and quality of products to be sold was maintained. There was regular communication with major suppliers and agreements in place to incentivise efficiency for supplier and the Group and the Group policy was to consistently meet payment terms. The Group had additional engagement with EU based suppliers to allow for contingency plans and supply following the UK leaving the EU.

Environment

The Group was committed to the sustainable use of resources and paper production and continued to increase both the use of recyclable materials and recycling of unsold copies and office waste.

Shareholders

Continued access to capital and the structure of the group private equity funding was essential to the operation and development of the business. The directors regularly reported to the shareholders who also monitored and had oversight of the annual plans, initiatives and longer term plans as well as being party to an investor agreement with the group. Following the sale to Future plc, this engagement was through Future plc's engagement with the public company shareholders and the related governance in place.

**Principal risks and uncertainties**

The key business risks and uncertainties affecting the Group as it now trades within the Future plc group are considered to relate to the pressures on printed media, the need to further develop digital media and advertising and the risks impacting IT security and continuity. Further information is detailed within the Strategic Report on pages 60 to 64 of the Future plc Annual Report 2021.

The Group's financial risk management policies are set out in note 2.27 to the financial statements.

### .Employees

All employees received equal opportunities for training and career development. The sole criterion for selection and promotion was the individual's suitability for the position of employment offered. The Group supported the application for employment of disabled persons wherever appropriate.

Where existing employees become disabled, it was the Group's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

The Group placed considerable value on the involvement of its employees and continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Group. This was achieved through regular formal and informal meetings which since March 2020 had been held virtually and through regular communications via the Company Slack channels. Employees were consulted regularly on a wide range of matters affecting their current and future interests.

This report was approved by the board on 28 July 2022 and signed on its behalf.

**Penny Ladkin-Brand**
Director

# DIRECTORS' REPORT

The Directors present their report and the audited consolidated financial statements of the Group for the year ended 31 December 2021.

## Results and dividends

The profit for the year, after taxation and minority interests, amounted to £17.9m (2020 - £1.7m).

The net assets of the Group total £20.5m (2020: net assets £0.0m).

The Directors have not paid or recommended the payment of a dividend for the year (2020: £nil).

## Matters covered in the strategic report

The strategic report can be found on pages 1 to 5. This contains the business review, key performance indicators, future developments, statement by the Directors in performance of their statutory duties in accordance with s172(1) Companies Act 2006, principal risks and uncertainties and employee policies.

## Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated audited consolidated financial statements of the Group in accordance with applicable law and regulations.

Company law requires the Directors to prepare audited consolidated financial statements of the Group for each financial year. Under that law the Directors have elected to prepare the audited consolidated financial statements of the Group in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Directors must not approve the audited consolidated financial statements of the Group unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these audited consolidated financial statements of the Group, the Directors are required to:

- select suitable accounting policies for the Group's financial statements 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 audited consolidated financial statements of the Group on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and to enable them to ensure that the audited consolidated financial statements of the Group comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## DIRECTORS' REPORT (CONTINUED)

### Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

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

### Directors

The Directors of the Company who were in office during the year and up to the date of signing the financial statements were:

Z E Byng-Thorne (appointed 1 October 2021)
P A Ladkin-Brand (appointed 1 November 2021)
R B Addison (appointed 1 October 2021, resigned 31 October 2021)
R J Kerr (resigned 31 December 2021)
J A Tye (resigned 31 December 2021)

### Qualifying third party indemnity provisions

The Group granted indemnity to one or more of its Directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provision was in place in the financial year and remains in force as at the date of approving the Directors' report.

### Financial risk management

The Group's financial risk management policies are set out in note 2.27 to the financial statements.

### Employee and stakeholder engagement

Refer to the s172 Directors Statement on page 4 in the Strategic Report for details of the employee and stakeholder engagement statement in the year.

**Statement of carbon emissions in compliance with Streamlined Energy and Carbon Reporting (SECR)**

The following statement covers the Company's energy use and associated greenhouse gas emissions relating to gas, electricity and transport, intensity rations and information relating to energy efficiency actions.

| Utility and scope | 2021 UK consumption | 2020 UK consumption | |
|---|---|---|---|
| Grid supplied electricity consumption | 249,492 | 322,662 | (kWh) |
| Gaseous and other fuels consumption | Nil | Nil | |
| Transportation consumption | 10,700 | 410,026 | (kWh) |
| Grid supplied electricity emissions | 52.97 | 75.23 | (tCO2e) |
| Gaseous and other fuels emissions | Nil | Nil | |
| Transportation emissions | 2.48 | 95.71 | (tCO2e) |
| Intensity metric (tCO2e/Turnover £m) | 0.96 | 2.36 | |

*Energy efficiency improvements*

The Company is committed to year on year improvements in their operational energy efficiency. As such, a register of energy efficiency measures available to the Company has been compiled, with a view to implementing these measures in the next 5 years.

Measures ongoing and undertaken through 2020:
Zero waste to land fill. This has led to a reduction in the emissions produced by the group during 2020 for the waste generated by the Group's operations.

Measures prioritised for implementation in 2021 and 2022:
The businesses will continue to explore energy efficiency improvements across their operations during 2021 as part of the Future plc group. The businesses will undertake ESOS Phase 3 surveys during the 2022 reporting period and look to implement the recommendations.

*Reporting methodology*

Consumption and CO2e emission data has been calculated in line with the 2019 UK Government environmental reporting guidance.

The following Emission Factor Databases consistent with the 2019 UK Government environmental reporting guidance have been used, utilising the current published kWh gross calorific value (CV) and kgCO2e relevant for reporting years 2020 and 2021.

All consumption data was complete for the reporting year, and as such no estimations were required.

Intensity metrics have been calculated utilising the reportable figures for the following metrics, and tCO2e for both individual sources and total emissions were then divided by this figure to determine the tCO2e per metric: Total turnover (£m) £57.9m (2020: £72.2m).

**Subsequent events**

Details of the subsequent events are set out in note 31 to the financial statements.

**Going concern**

The directors have considered the trading performance and financial position of the Company and Group in the context of its acquisition by the Future plc group on 1 October 2021 and its subsequent cessation of trade following the transfer of its trade, related assets and liabilities to Future Publishing Limited on 1 January 2022. The directors have reviewed the Company's and Group's likely future cash flows following the cessation of trading, taking into account remaining intercompany and non-trading liabilities together with the cash resources available to the Group.

After making enquiries and having received confirmation of support from Future plc, and in the context of the limited remaining liabilities following the cessation of trading that has occurred, the directors have a reasonable expectation that the Company and Group have adequate resources to continue operating in these circumstances for the foreseeable future. Accordingly, with the intention of continuing as a non-trading Company and Group, the going concern basis of preparation continues to be adopted in the financial statements.

**Independent auditors**

As the Company ceased trading on 1 January 2022, the Company will utilise an audit exemption in 2022 and the auditors, PricewaterhouseCoopers LLP, will not be proposed for reappointment.

This report was approved by the board on 28 July 2022 and signed on its behalf.

**Penny Ladkin-Brand**
Director

# Report on the audit of the financial statements

## Opinion

In our opinion, Dennis Publishing Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2021 and of the group's profit and the group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Consolidated Balance Sheet and the Company Balance Sheet as at 31 December 2021; the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

## Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

### Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

## Responsibilities for the financial statements and the audit

### Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

In preparing the financial statements, the directors are responsible for assessing the group's and 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 group or the company or to cease operations, or have no realistic alternative but to do so.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DENNIS PUBLISHING LIMITED (CONTINUED)

### Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to health and safety regulation, GDPR, and employment law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006 and tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to manipulation of revenue and / or costs, and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Reviewing the financial statement disclosures and agreement to underlying supporting documentation;
- Challenging assumptions made by management in determining their significant judgements and accounting estimates; and
- Identifying and testing unusual journals posted to revenue, journals posted after period close and journals posted by senior management.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

### Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DENNIS PUBLISHING LIMITED (CONTINUED)**

## Other required reporting

### Companies Act 2006 exception reporting

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

- we have not obtained all the information and explanations we require for our audit; or
- 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
- certain disclosures of directors' remuneration specified by law are not made; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

## Other matter

The group financial statements for the year ended 31 December 2020, forming the corresponding figures of the group financial statements for the year ended 31 December 2021, are unaudited.

Philip Stokes (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
28 July 2022

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
## FOR THE YEAR ENDED 31 DECEMBER 2021

| | Note | Continuing operations 2021 £000 | Discontinued operations 2021 £000 | Total 2021 £000 | Unaudited Continuing operations 2020 £000 | Unaudited Discontinued operations 2020 £000 | Unaudited Total 2020 £000 |
|---|---|---|---|---|---|---|---|
| Turnover | 4 | 53,393 | 20,266 | 73,659 | 47,772 | 79,154 | 126,926 |
| Cost of sales | | (11,973) | (16,360) | (28,333) | (16,965) | (59,911) | (76,876) |
| **Gross profit** | | 41,420 | 3,906 | 45,326 | 30,807 | 19,243 | 50,050 |
| Distribution costs | | (24,999) | (851) | (25,850) | (25,045) | (5,056) | (30,101) |
| Administrative expenses | | (13,202) | (2,343) | (15,545) | (3,094) | (12,460) | (15,554) |
| Exceptional administrative expenses | 5 | (5,407) | (5) | (5,412) | (5,928) | (104) | (6,032) |
| Profit on disposal of businesses | 5 | - | 13,547 | 13,547 | - | 299 | 299 |
| Other operating income | 6 | 5,146 | (5) | 5,141 | 2,736 | 58 | 2,794 |
| **Operating profit** | 7 | 2,958 | 14,249 | 17,207 | (524) | 1,980 | 1,456 |
| Interest receivable and similar income | 12 | 1,055 | - | 1,055 | 767 | - | 767 |
| Interest payable and similar expenses | 13 | (339) | - | (339) | (33) | (8) | (41) |
| **Profit before taxation** | | 3,674 | 14,249 | 17,923 | 210 | 1,972 | 2,182 |
| Tax on profit | 14 | - | - | - | (78) | (397) | (475) |
| **Profit for the financial year** | | 3,674 | 14,249 | 17,923 | 132 | 1,575 | 1,707 |
| Currency translation differences | | | | (13) | | | 24 |
| **Other comprehensive (expense)/ income for the year** | | | | (13) | | | 24 |

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

| | | | | | | |
|---|---|---|---|---|---|---|
| **Total comprehensive income for the year** | | | **17,910** | | | 1,731 |
| **(Loss)/profit for the year attributable to:** | | | | | | |
| Non-controlling interests | **-** | **(149)** | **(149)** | - | (800) | (800) |
| Owners of the parent Company | **3,674** | **14,398** | **18,072** | 132 | 2,397 | 2,507 |
| | **3,674** | **14,249** | **17,923** | 132 | 1,597 | 1,707 |
| **Total comprehensive (expense)/income for the year attributable to:** | | | | | | |
| Non-controlling interest | | | **(149)** | | | (800) |
| Owners of the parent Company | | | **18,059** | | | 2,531 |
| | | | **17,910** | | | 1,731 |

The notes on pages 23 to 57 form an integral part of these financial statements.

## CONSOLIDATED BALANCE SHEET
## AS AT 31 DECEMBER 2021

| | Note | | 2021 £000 | | Unaudited 2020 £000 |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Intangible assets | 15 | | **20,309** | | 4,844 |
| Tangible assets | 16 | | **324** | | 1,825 |
| Investments | 17 | | **-** | | 1 |
| | | | **20,633** | | 6,670 |
| **Current assets** | | | | | |
| Stocks | 18 | **-** | | 212 | |
| Debtors: amounts falling due after more than one year | 19 | **8,500** | | 4,010 | |
| Debtors: amounts falling due within one year | 19 | **18,297** | | 12,367 | |
| Cash at bank and in hand | 20 | **4,990** | | 5,561 | |
| | | **31,787** | | 22,150 | |
| Creditors: amounts falling due within one year | 21 | **(28,795)** | | (26,717) | |
| **Net current assets/(liabilities)** | | | **2,992** | | (4,567) |
| **Total assets less current liabilities** | | | **23,625** | | 2,103 |
| **Provisions for liabilities** | | | | | |
| Other provisions | 22 | **(3,081)** | | (2,081) | |
| | | | **(3,081)** | | (2,081) |
| **Net assets** | | | **20,544** | | 22 |
| **Capital and reserves** | | | | | |
| Called up share capital | 23 | | **500** | | 500 |
| Share premium account | 24 | | **7,045** | | 5,850 |
| Foreign exchange reserve | 24 | | **(128)** | | (115) |
| Profit and loss account | 24 | | **13,127** | | (4,164) |
| **Equity attributable to owners of the parent company** | | | **20,544** | | 2,071 |
| Non-controlling interests | | | **-** | | (2,049) |
| **Total equity** | | | **20,544** | | 22 |

The financial statements on pages 14 to 57 were approved by the Board of Directors on 28 July 2022 and signed on its behalf by

Penny Ladkin-Brand
Director

The notes on pages 23 to 57 form an integral part of these financial statements.

**DENNIS PUBLISHING LIMITED**
**REGISTERED NUMBER:01138891**

# COMPANY BALANCE SHEET
## AS AT 31 DECEMBER 2021

| | Note | | 2021 £000 | | 2020 £000 |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Intangible assets | 15 | | **20,310** | | 3,968 |
| Tangible assets | 16 | | **324** | | 1,825 |
| Investments | 17 | | **-** | | 1 |
| | | | **20,634** | | 5,794 |
| **Current assets** | | | | | |
| Debtors: amounts falling due after more than one year | 19 | **8,500** | | 4,010 | |
| Debtors: amounts falling due within one year | 19 | **18,113** | | 20,567 | |
| Cash at bank and in hand | 20 | **4,990** | | 4,094 | |
| | | **31,603** | | 28,671 | |
| Creditors: amounts falling due within one year | 21 | **(28,797)** | | (25,675) | |
| **Net current assets** | | | **2,806** | | 2,996 |
| **Total assets less current liabilities** | | | **23,440** | | 8,790 |
| **Provisions for liabilities** | | | | | |
| Other provisions | 22 | **(3,081)** | | (2,069) | |
| | | | **(3,081)** | | (2,069) |
| **Net assets** | | | **20,359** | | 6,721 |
| **Capital and reserves** | | | | | |
| Called up share capital | 23 | | **500** | | 500 |
| Share premium account | 24 | | **7,045** | | 5,850 |
| Other reserves | 24 | | **(2,217)** | | (7,048) |
| Profit and loss account | | | **15,031** | | 7,419 |
| **Total equity** | | | **20,359** | | 6,721 |

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The Company made a profit after tax of £7,612,000 (2020 - £7,410,000) in the year.

The financial statements on pages 14 to 57 were approved by the Board of Directors on 28 July 2022 and signed on its behalf by

Penny Ladkin-Brand
Director

The notes on pages 23 to 57 form an integral part of these financial statements.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
## FOR THE YEAR ENDED 31 DECEMBER 2021

| | Called up share capital | Share premium account | Foreign exchange reserve | Merger reserve | Profit and loss account | Equity attributable to owners of parent Company | Non-controlling interests | Total equity |
|---|---|---|---|---|---|---|---|---|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| At 1 January 2021 | 500 | 5,850 | (115) | - | (4,164) | 2,071 | (2,049) | 22 |
| **Comprehensive (expense)/income for the year** | | | | | | | | |
| Profit/(loss) for the financial year | - | - | - | - | 18,072 | 18,072 | (149) | 17,923 |
| Currency translation differences | - | - | (13) | - | - | (13) | - | (13) |
| **Other comprehensive expense for the year** | - | - | (13) | - | - | (13) | - | (13) |
| **Total comprehensive (expense)/income for the year** | - | - | (13) | - | 18,072 | 18,059 | (149) | 17,910 |
| Share issue | - | 1,195 | - | 1,417 | - | 2,612 | - | 2,612 |
| Changes through sale of subsidiaries | - | - | - | (1,417) | 1,417 | - | - | - |
| NCI portion of Buyacar Limited reserves | - | - | - | - | (2,198) | (2,198) | 2,198 | - |
| **At 31 December 2021** | 500 | 7,045 | (128) | - | 13,127 | 20,544 | - | 20,544 |

## UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
## FOR THE YEAR ENDED 31 DECEMBER 2020

| | Called up share capital | Share premium account | Foreign exchange reserve | Profit and loss account | Equity attributable to owners of parent Company | Non-controlling interests | Total equity |
|---|---|---|---|---|---|---|---|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| At 1 January 2020 | 500 | 5,850 | (139) | (6,671) | (460) | (1,249) | (1,709) |
| **Comprehensive income/(expense) for the year** | | | | | | | |
| Profit/(loss) for the year | - | - | - | 2,507 | 2,507 | (800) | 1,707 |
| Currency translation differences | - | - | 24 | - | 24 | - | 24 |
| **Other comprehensive income for the year** | - | - | 24 | - | 24 | - | 24 |
| **Total comprehensive income/(expense) for the year** | - | - | 24 | 2,507 | 2,531 | (800) | 1,731 |
| **At 31 December 2020** | 500 | 5,850 | (115) | (4,164) | 2,071 | (2,049) | 22 |

The notes on pages 23 to 57 form an integral part of these financial statements.

## COMPANY STATEMENT OF CHANGES IN EQUITY
## FOR THE YEAR ENDED 31 DECEMBER 2021

| | Called up share capital | Share premium account | Other reserves | Merger reserve | Profit and loss account | Total equity |
|---|---|---|---|---|---|---|
| | £000 | £000 | £000 | £000 | £000 | £000 |
| At 1 January 2021 | 500 | 5,850 | (7,048) | - | 7,419 | 6,721 |
| **Comprehensive income for the year** | | | | | | |
| Profit for the year | - | - | - | - | 7,612 | 7,612 |
| **Total comprehensive income for the year** | - | - | - | - | 7,612 | 7,612 |
| Share issue | - | 1,195 | - | 1,417 | - | 2,612 |
| Realised impairment loss from reserves (note 2.18) | - | - | - | (1,417) | - | (1,417) |
| Changes through sale of subsidiaries: Realised impairment | - | - | 4,831 | - | - | 4,831 |
| **At 31 December 2021** | 500 | 7,045 | (2,217) | - | 15,031 | 20,359 |

The notes on pages 23 to 57 form an integral part of these financial statements.

## COMPANY STATEMENT OF CHANGES IN EQUITY
## FOR THE YEAR ENDED 31 DECEMBER 2020

| | Called up share capital | Share premium account | Other reserves | Profit and loss account | Total equity |
|---|---|---|---|---|---|
| | £000 | £000 | £000 | £000 | £000 |
| At 1 January 2020 | 500 | 5,850 | (7,831) | 9 | (1,472) |
| **Comprehensive income for the year** | | | | | |
| Profit for the year | - | - | - | 7,410 | 7,410 |
| **Total comprehensive income for the year** | - | - | - | 7,410 | 7,410 |
| Realised impairment loss from reserves (note 2.18) | - | - | 783 | - | 783 |
| **At 31 December 2020** | 500 | 5,850 | (7,048) | 7,419 | 6,721 |

The notes on pages 23 to 57 form an integral part of these financial statements.

## CONSOLIDATED STATEMENT OF CASH FLOWS
## FOR THE YEAR ENDED 31 DECEMBER 2021

| | Note | 2021 £000 | Unaudited 2020 £000 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Profit for the financial year | | **17,923** | 1,707 |
| **Adjustments for:** | | | |
| Amortisation of intangible assets | 15 | **2,710** | 2,075 |
| Depreciation of tangible assets | 16 | **549** | 639 |
| Profit on disposal of intellectual property rights | | **(13,547)** | (299) |
| Loss on disposal of tangible assets | | **1,006** | - |
| Interest paid | 13 | **209** | 41 |
| Interest received | 12 | **(1,055)** | (169) |
| Taxation charge | 14 | **-** | 475 |
| Decrease/(increase) in stocks | 18 | **1** | (88) |
| Decrease/(increase) in debtors | 19 | **1,160** | (404) |
| Decrease in creditors | 21 | **(2,364)** | (940) |
| Increase in provisions | 22 | **987** | 1,957 |
| Corporation tax (paid)/received | 14 | **(59)** | 287 |
| Other financing costs | 13,12 | **130** | (598) |
| **Net cash generated from operating activities** | | **7,650** | 4,683 |
| **Cash flows from investing activities** | | | |
| Purchase of intangible fixed assets | 15 | **(1,257)** | (2,313) |
| Sale of subsidiaries (net of cash in disposals) | 15 | **(862)** | 141 |
| Purchase of tangible fixed assets | 16 | **(123)** | (461) |
| Sale of tangible fixed assets | | **-** | 390 |
| New loans to related parties | 19 | **(5,899)** | 421 |
| Payment of contingent consideration re prior year acquisition of subsidiary | | **-** | (119) |
| **Net cash used in investing activities** | | **(8,141)** | (1,941) |
| **Net (decrease)/increase in cash and cash equivalents** | | **(491)** | 2,742 |
| Cash and cash equivalents at beginning of year | 20 | **5,561** | 2,220 |
| Foreign exchange gains and losses | | **(80)** | 599 |
| **Cash and cash equivalents at the end of year** | | **4,990** | 5,561 |
| **Cash and cash equivalents at the end of year comprise:** | | | |
| Cash at bank and in hand | 20 | **4,990** | 5,561 |

The notes on pages 23 to 57 form an integral part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

### 1. General information

The Company is a private company limited by shares, incorporated and registered in the United Kingdom. The address of the registered office is Quay House, The Ambury, Bath, BA1 1UA

The Company is engaged in a media business providing customers with information and intelligence across the current affairs, financial, special interest and technology sectors.

The Company was a material company to the Broadleaf Topco Group under its banking agreement and therefore an obligor until 1 October 2021.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

These financial statements are prepared on a going concern basis, under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The functional currency of Dennis Publishing Limited is considered to be pounds sterling as this is the currency of the primary economic environment in which the Company operates. The financial statements are also presented in pounds sterling, rounded to the nearest thousand pound.

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

The Group applies section 11 and 12 of FRS102 in respect of the recognition and measurement of financial instruments.

The Company is a qualifying entity for the purposes of FRS 102 and has elected to take the exemption under FRS 102, para 1.12(b) not to present the Company Statement of Cash Flows.

The following principal accounting policies have been applied consistently, other than where new policies have been adopted:

#### 2.2 Going concern

The directors have considered the trading performance and financial position of the Company and Group in the context of its acquisition by the Future plc group on 1 October 2021 and its subsequent cessation of trade following the transfer of its trade, related assets and liabilities to Future Publishing Limited on 1 January 2022. The directors have reviewed the Company's and Group's likely future cash flows following the cessation of trading, taking into account remaining intercompany and non-trading liabilities together with the cash resources available to the Group.

After making enquiries and having received confirmation of support from Future plc, and in the context of the limited remaining liabilities following the cessation of trading that has occurred, the directors have a reasonable expectation that the Company and Group have adequate resources to continue operations for the foreseeable future. Accordingly, with the intention of continuing as a non-trading Company and Group, the going concern basis of preparation continues to be adopted in the financial statements.

## 2. Accounting policies (continued)

### 2.3 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

The cost of the business combination is the fair value of the consideration given, liabilities incurred or assumed and of equity instruments issued plus the costs directly attributable to the business combination.

On acquisition of a business, fair values are attributed to the identifiable assets, liabilities and contingent liabilities unless the fair value cannot be measured reliably, in which case the value is incorporated in goodwill.

The Group applies section 11 and 12 of FRS102 in respect of the recognition and measurement of financial instruments.

Where control of a subsidiary is lost, the gain or loss is recognised in the Consolidated Statement of Comprehensive Income. The cumulative amounts on any exchange differences on translation, recognised in equity, are not included in the gain or loss on disposal and are transferred to retained earnings. The gain or loss also includes amounts included in other comprehensive income that are required to be reclassified to profit or loss but excludes those amounts that are not required to be reclassified.

### 2.4 Foreign currency translation

**Functional and presentation currency**
The Group's functional and presentational currency is GBP.

**Transactions and balances**
Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Comprehensive Income. within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

## 2. Accounting policies (continued)

### 2.5 Turnover recognition

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group 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 Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group 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 Group 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.

Turnover is earned from the following:

- The sale of printed and digital magazines and mobile apps in the form of subscriptions;
- The sale of printed magazines through third party retail outlets;
- The sale of digital magazines through third party digital partners;
- The sale of advertising in the magazines and websites and through lead generation;
- The syndication of content to third parties; and
- Events.

The Group also operates an ecommerce business selling used vehicles and associated services.

Subscription income is recognised in the Consolidated Statement of Comprehensive Income as revenue on a receivable basis with that portion relating to subsequent periods included in accruals and deferred income.

Revenue earned through third party retail outlets is recognised net of returns in the Consolidated Statement of Comprehensive Income in the month the magazine is published.

Revenue earned through third party digital partners is recognised in the Consolidated Statement of Comprehensive Income in the month of sale.

Print advertising revenue is recognised on publication. Digital advertising is recognised as page impressions are served. Income from advance billings is deferred and released to revenue when

## 2. Accounting policies (continued)

### 2.5 Turnover recognition (continued)

conditions for its recognition are met. Income is accrued when the conditions for its recognition are met but the customer has yet to be invoiced.

Income from events is recognised at the date of the event and syndication income is recognised over the term of the license.

Income from the sale of vehicles and associated services is recognised in the Consolidated Statement of Comprehensive Income at the point the car is delivered to the customer.

### 2.6 Operating leases: the Group as lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight-line basis over the period of the lease. Incentives received are recorded as an accrual and spread over the term of the lease on a straight-line basis.

### 2.7 Other operating income

Other operating income is earned by the Group from recharging the costs of employees who are providing services to related parties. The income is recognised in the period in which the services are provided.

The amount claimed by the Group under the UK Coronavirus Job Retention Scheme is recognised as other operating income in the Consolidated Statement of Comprehensive Income in the period in which the grant was received.

### 2.8 Interest income

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

### 2.9 Interest payable

Interest payable is recognised in the Consolidated Statement of Comprehensive Income in the period in which it is incurred.

### 2.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

## 2. Accounting policies (continued)

### 2.11 Pensions

**Defined contribution pension plan**

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Consolidated Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

### 2.12 Share based payments

The Broadleaf Topco Group of which the Company was a part of until 1 October 2021 provided share-based payment arrangements to certain employees. Equity-settled arrangements are measured at fair value (excluding the effect on nonmarket based vesting conditions) at the date of the grant.

The fair value is expensed on a straight-line basis over the vesting period. The amount recognised as an expense is adjusted to reflect the actual number of shares that will vest.

Where equity-settled arrangements are modified, and are of benefit to the employee, the incremental fair value is recognised over the period from the date of modification to date of vesting. Where a modification is not beneficial to the employee there is no change to the charge for share- based payment. Settlements and cancellations are treated as an acceleration of vesting and the unvested amount is recognised immediately in the Consolidated Statement of Comprehensive Income.

## 2. Accounting policies (continued)

### 2.13 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, 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 and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Consolidated 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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 Consolidated Balance Sheet date.

### 2.14 Exceptional items

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Group. Costs incurred in the period which are classified as exceptional are those which are material in nature and derive from events or transactions that do not fall within the ordinary activities of the Group and which are individually, or in aggregate, of such size or incidence to require specific disclosure.

## 2. Accounting policies (continued)

### 2.15 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.

At each reporting date the Group 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.

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:

| | | |
|---|---|---|
| Brands | - | 7-17 years |
| Computer software | - | 2 years |

Amortisation of computer software is included in distribution expenses. Amortisation of intangible assets is included in administrative expenses.

## 2. Accounting policies (continued)

### 2.16 Development costs

Costs associated with maintaining computer software are recognised as an expense as incurred. Costs associated with research activities are recognised as an expense as incurred.

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

Development costs which are recognised as intangible assets can include the direct labour costs of staff who are identified as working directly on the design and testing of software products that meet the above capitalisation criteria.

Other development expenditure that does not meet these criteria is recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

*Asset in the course of construction*

Development costs meeting the above criteria for capitalisation are initially recognised as an asset in the course of construction at cost. These assets are not amortised until it is available for use whereupon the assets are recognised as computer software and amortised in accordance with the amortisation policy.

### 2.17 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 Group 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.

## 2. Accounting policies (continued)

### 2.17 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

| | |
|---|---|
| Leasehold improvements | - 10% |
| Fixtures, fittings and equipment | - 25% |
| Computer equipment | - 12.5% - 33% |

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

### 2.18 Impairment of fixed assets and goodwill

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.

### 2.19 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

### 2.20 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. The Group's stock consists of second hand vehicles for sale.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

## 2. Accounting policies (continued)

### 2.21 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.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

### 2.22 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated Statement of Comprehensive Income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Consolidated Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Consolidated Balance Sheet.

**Sabbatical provision**

All employees, whose employment with the Group commenced before 1 January 2008, were entitled to be paid sabbatical leave after every five years of full service. Employees who started after 1 January 2008 were entitled to one sabbatical after the first five years full service. Until this benefit ceased, the Group recognised a provision to reflect the amount likely to be paid to employees becoming eligible for the scheme in the foreseeable future. The exact amount to be paid was reliant upon employees meeting the criteria of five years' service.

**Onerous lease provision**

The Company has identified an onerous contract relating to the lease of certain floors of its head office. The Company has recognised a provision for the unavoidable costs of meeting its obligations under the lease contract. The provision has been discounted in accordance with FRS102.

**Other provisions**

The other provisions held by the Company relate to contractual obligations that are deemed to be onerous on the acquisition of the Company by the Future Group on 1 October 2021. The Company has recognised a provision for the unavoidable costs of meeting its obligations under the contracts. The provision has not been discounted as the effect of discounting is deemed to be immaterial.

### 2.23 Financial instruments

Basic financial assets, including trade and other debtors and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

## 2. Accounting policies (continued)

### 2.23 Financial instruments (continued)

Such assets are subsequently carried at amortised cost using the effective interest method. At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the Consolidated Statement of Comprehensive Income.

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire or are settled, or substantially all the risks and rewards of the ownership of the asset are transferred to another party or control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Basic financial liabilities, including trade and other creditors, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. The costs are deducted from the liability recognised and will therefore be included in the calculation of amortised cost using the effective interest rate method. They will consequently be recognised in the Consolidated Statement of Comprehensive Income over the life of the debt instrument.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as Creditors: amounts falling due within one year if payment is due within one year or less. If not, they are presented as Creditors: amounts falling due after more than one year. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Financial assets and liabilities are offset and the net amount reported in the Consolidated Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

### 2.24 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

## 2. Accounting policies (continued)

### 2.25 Share premium

Any premium received on the issue of share capital is shown in equity. Any transaction costs associated with the issuing of shares are deducted from share premium.

### 2.26 Other reserves - debit within equity arising on group reconstructions

The Company adopted the merger accounting method for the hive up of trade and assets from its direct and indirect subsidiaries on 31 December 2019. The assets were transferred at their carrying value and no value was attributed to the transferred trades. Following the transfers, the Company was required to consider the carrying value of its investments in the subsidiaries from which it had acquired the trades and assets. Where the carrying value was greater than the value of the remaining net assets held by those subsidiaries, the Company was required to recognise an impairment in the value of the investments. The impairment does not represent a loss to the Company as it has acquired the trade and assets of the subsidiaries.

Therefore a debit of £7,831,000, which is equal to the value of the impairment, was recognised directly in other reserves in 2019. This amount was neither realised nor unrealised at the date of the transfer and is realised in the Statement of Comprehensive Income over the next 10 years on a straight line basis as an amount arising from group reconstructions. An additional amount of £4,553,000 has been recognised in the Company's Statement of Comprehensive Income in 2021 in order to fully realise the amount relating to three companies which were disposed of or struck off during 2021.

### 2.27 Financial risk management

The Group's multinational operations and debt financing expose it to a variety of financial risks. In the course of its business, the Group is exposed to foreign currency risk, interest rate risk, liquidity risk and credit risk. Financial risk management is an integral part of the way that the Group is managed. Financial risk management policies are set by the Board of Directors.

**Foreign currency risk**

Foreign currency risk arises both where sale or purchase transactions are undertaken in currencies other than the respective functional currencies of the Group (transactional exposures). The Group invariably has some customers or suppliers that transact in foreign currency. The Group is therefore exposed to the changes in foreign currency exchange rates between a number of different currencies but the Group's primary exposures relate to the US Dollar and to the Euro.

**Interest rate risk**

Interest rate risk arising from borrowing at variable rates is not hedged.

**Liquidity risk**

Liquidity risk represents the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing the risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group managed this risk by maintaining adequate committed lines of funding.

## 2. Accounting policies (continued)

### Credit risk

Credit risk arises because a counterparty may fail to perform its obligations. The Group is exposed to credit risk on financial assets such as cash balances, trade and other debtors.

The Group's credit risk is primarily attributable to its trade receivables. The amounts recognised in the Consolidated Balance Sheet are net of appropriate allowances for doubtful debtors, estimated by the Group's management based on prior experience and their assessment of the current economic environment. Trade receivables are subject to credit limits and control and approval procedures in the operating companies. The majority of the Group's revenue is earned from subscriptions and the sale of cars and the customers of these revenue streams pay up front, therefore as a result the Group is not exposed to material concentrations of credit risk on its trade receivables.

Credit risk associated with cash balances is managed by transacting with financial institutions with high quality credit ratings. Accordingly the Group's associated credit risk is limited. The Group's maximum exposure to credit risk is represented by the carrying amount of each financial asset in the Consolidated Balance Sheet.

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

In the application of the Group's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

**Key sources of judgement and estimation uncertainty**
The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows:

**Determining the useful economic lives of intangible fixed assets**
The Group amortises intangible assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management. The Group also take due notice of the generally accepted treatments in place within their industry when determining those useful lives.

The actual lives of these assets can vary depending on a variety of factors, including technological innovation and product life cycles.

**Establishing recoverable values of impaired assets**
The carrying value of intangibles and investments in subsidiaries are reviewed for impairment on an annual basis and also whenever events or changes in circumstances indicate that the carrying value may not be fully recoverable. If an asset's recoverable amount is less than the asset's carrying amount, an impairment loss is recognised. Loans and receivables are evaluated based on collectability.

Changes in estimates could impact the recoverable values of these assets.

**Establishing the nature of the relationship with the Company's retail distributor**
The Company has revenue relating to the sale of printed magazines. For some sales, a third party distributor sells the magazines to third party retail outlets. Under the agreement the distributor charges the Company a fixed fee and the distributor acquires the magazines from the Company for resale. Turnover in the financial statements has been recognised based on the income received from the distributor, which is net of the fixed fee. This presentation is based on the judgement that the sales are made to the distributor as the Company's customer. An alternative judgement would have been that the distributor is an agent of the Company in the sale to the third party retail outlets. Whilst there are mixed indicators regarding the principal v agent application, the Directors consider this judgement appropriate given the terms of the arrangement under which the Company sells the magazines to the distributor. Should the Directors have concluded the distributor was an agent the net profit would remain the same but both revenue and distribution costs would be higher.

## 4. Turnover

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

| | 2021 £000 | Unaudited 2020 £000 |
|---|---|---|
| Subscriptions | **37,070** | 37,123 |
| Advertising, syndication and events | **16,824** | 28,857 |
| Third party retail outlets | **2,819** | 5,824 |
| Ecommerce - digital editions | **1,597** | 462 |
| Ecommerce - sale of vehicles and associated services | **15,349** | 54,660 |
| | **73,659** | 126,926 |

Analysis of turnover by country of destination:

| | 2021 £000 | Unaudited 2020 £000 |
|---|---|---|
| United Kingdom | **67,700** | 119,099 |
| Rest of Europe | **3,107** | 4,704 |
| Rest of the World | **2,852** | 3,123 |
| | **73,659** | 126,926 |

## 5. Exceptional items

| Exceptional administrative expenses | 2021 £000 | Unaudited 2020 £000 |
|---|---|---|
| Transaction costs | **1,146** | - |
| Restructuring costs | **1,367** | 2,032 |
| Onerous lease | **1,512** | 2,134 |
| Strategic review and corporate simplification | **271** | 743 |
| Covid-19 related and other non-recurring costs | **(330)** | 655 |
| Loss on disposal of intangible and tangible fixed assets | **1,446** | - |
| Finance transformation project | **-** | 468 |
| | **5,412** | 6,032 |

The Group incurred £1,146,000 of costs relating to the acquisition by the Future plc group on 1 October 2021. The costs incurred were £991,000 of transaction bonuses payable to certain employees of the Group and £155,000 of professional advice.

Following the acquisition by the Future plc group, the Company undertook a programme of substantial restructuring. The restructuring costs deemed to be exceptional were redundancies and settlement agreements of £1,367,000 (2020: £1,940,000) arising from permanent changes to business strategy and operations. In 2020, exceptional other people costs of £92,000 were incurred. There was no equivalent cost in 2021.

The Group has identified an onerous contract relating to the lease of its former head office. The Group has recognised an additional provision of £1,512,000 (2020: £2,134,000) for the unavoidable costs of meeting its obligations under the lease contract and also for future dilapidation costs to the office. The provision has been discounted in accordance with FRS102.

The Group incurred professional fees of £271,000 on the completion of the group restructure and operational changes following the separation of the automotive media assets and disposal of the investment in Buyacar Limited (formerly Dennis Buyacar Limited). In 2020 the Company incurred £743,000 of costs on a strategic review and reorganisation and the completion of the group structure simplification which commenced in 2019.

In 2020, the Group responded to the impact of Covid-19 in respect of changes in employment benefits including holiday pay entitlement and recognised a non- recurring expense for the 2020 accrual of holiday pay of £514,000, with a subsequent related £330,000 credit being recognised in 2021 in the Consolidated Statement of Comprehensive Income. Other non-recurring costs of £141,000 in 2020 included the cost of Covid safety measures put in place.

On the acquisition of the Group by the Future plc group, a number of intangible and tangible assets ceased to be in use and have therefore been disposed resulting in a loss of £440,000 relating to computer software and 1,006,000 relating to tangible fixed assets.

In 2020, the Group completed the non-recurring, significant finance transformation project commenced in the previous year incurring £468,000 of exceptional costs primarily relating to the hire of senior temporary staff who were focused on the project and costs of implementing a new finance system. There were no equivalent costs in 2021.

| | 2021 | Unaudited 2020 |
|---|---|---|
| | **£000** | £000 |
| **Exceptional profit on disposal of businesses** | **(13,547)** | (299) |

In 2021, the Group entered into a number of restructuring events in preparation for its sale to the Future plc group. In doing so a total profit of £12,923,000 was earned on the sale of intellectual property, intangible assets and other assets and liabilities to subsidiary companies who were subsequently disposed of and £624,000 was earned on the sale of computer software to Autovia Limited (formerly Broadleaf Newco Limited) which was a related party at the date of the sale. In 2020, the Group sold various Intellectual Property Rights (IPR) earning a profit of £299,000.

## 6. Other operating income

| | 2021 | Unaudited 2020 |
|---|---|---|
| | **£000** | £000 |
| Services provided to related parties | **5,141** | 1,951 |
| Amounts received from the Coronavirus Job Retention Scheme | **-** | 712 |
| | **5,141** | 2,663 |

## 7. Operating profit

The operating profit is stated after charging/(crediting):

| | | 2021 £000 | Unaudited 2020 £000 |
|---|---|---|---|
| Exceptional administrative expenses | 5 | **5,639** | 6,032 |
| Exceptional profit on disposals of businesses | 5 | **(13,774)** | (299) |
| Amortisation of computer software | 15 | **2,393** | 1,542 |
| Amortisation of brands | 15 | **317** | - |
| Depreciation of tangible fixed assets | 16 | **549** | 639 |
| Stock recognised as an expense | 18 | **13,963** | 49,804 |
| Share based payment | 25 | **1,121** | 205 |
| Exchange differences | | **157** | 254 |
| Impairment/(reversal of impairment) of debtors | | **189** | (241) |
| Other operating lease rentals | | **719** | 1,288 |

## 8. Auditors' remuneration

| | 2021 £000 | Unaudited 2020 £000 |
|---|---|---|
| Fees payable to the Group's auditors and their associates for the audit of the Group's annual financial statements | **94** | 145 |

**Fees payable to the Group's auditors and their associates in respect of:**

| | | |
|---|---|---|
| Taxation compliance services | **19** | 19 |
| Taxation advisory services | **56** | - |

## 9. Employees

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

| | | Group 2021 £000 | Unaudited Group 2020 £000 | Company 2021 £000 | Company 2020 £000 |
|---|---|---|---|---|---|
| Wages and salaries | | **14,836** | 22,610 | **14,097** | 19,933 |
| Social security costs | | **1,726** | 2,502 | **1,641** | 2,230 |
| Other pension costs | 28 | **326** | 550 | **309** | 497 |
| Share based payments | 25 | **1,121** | 205 | **1,121** | 205 |
| Staff costs capitalised | | **-** | (665) | **-** | (604) |
| | | **18,009** | 25,202 | **17,168** | 22,261 |

Included in the above is £nil (2020: £665,000) which has been capitalised within costs of computer software in the year.

Excluded from the above is £3,129,000 relating to recharges for services provided by staff employed by Future Publishing Limited in November and December 2021.

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

| | Group 2021 £000 | Unaudited Group 2020 £000 | Company 2021 £000 | Company 2020 £000 |
|---|---|---|---|---|
| Administrative | **37** | 50 | **34** | 46 |
| Editorial | **66** | 150 | **65** | 149 |
| Sales and distribution | **177** | 266 | **117** | 212 |
| | **280** | 466 | **216** | 407 |

## 10. Directors' remuneration

| | 2021 £000 | 2020 £000 |
|---|---|---|
| Directors' emoluments | **1,474** | 955 |
| Company contributions to defined contribution pension schemes | **5** | 25 |
| | **1,479** | 980 |

Excluded in the costs above are costs of £620,000 relating to recharges for services provided by Directors employed by Future Publishing Limited from 8 November 2021 including £280,000 compensation for loss of office.

During the year, retirement benefits were accruing to 2 Directors (2020: 2) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £958,000 (2020: £450,000).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £3,000 (2020 - £11,000).

## 11. Key management personnel

Key management includes the Directors and members of the senior management. The compensation paid or payable to key management for employee services is shown below:

| | 2021 £000 | Unaudited 2020 £000 |
|---|---|---|
| Salaries and other short term benefits | **3,797** | 2,530 |
| Post-employment benefits | **45** | 58 |
| Loss of office | **378** | - |
| Share based payments | **2,879** | 929 |
| | **7,099** | 3,517 |

## 12. Interest receivable and similar income

| | 2021 £000 | Unaudited 2020 £000 |
|---|---|---|
| Foreign exchange gains on cash and borrowings | - | 598 |
| Interest receivable from related parties | 1,055 | 169 |
| | 1,055 | 767 |

Interest receivable from related parties is charged at a fixed rate of 10% per annum.

## 13. Interest payable and similar expenses

| | 2021 £000 | Unaudited 2020 £000 |
|---|---|---|
| Interest payable to related parties | 209 | - |
| Foreign exchange losses on cash and borrowings | 67 | - |
| Unwind of discount applied to onerous lease provision | 63 | - |
| Other interest payable | - | 41 |
| | 339 | 41 |

Interest payable to related parties is charged at a fixed rate of 4.2% per annum.

## 14. Tax on profit

| | 2021 £000 | Unaudited 2020 £000 |
|---|---|---|
| **Corporation tax** | | |
| Current tax on profit for the year | 1,502 | 1,159 |
| Adjustments to tax charge in respect of prior periods | - | 475 |
| | 1,502 | 1,634 |
| Group taxation relief | (1,502) | (1,159) |
| **Total current tax** | - | 475 |
| **Taxation on profit** | - | 475 |

## 14. Tax on profit (continued)

### Factors affecting tax charge for the year

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

| | 2021 £000 | Unaudited 2020 £000 |
|---|---|---|
| Profit before tax | **17,923** | 2,182 |
| Profit before tax multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%) | **3,405** | 415 |
| **Effects of:** | | |
| Expenses not deductible for tax purposes | **551** | 391 |
| Utilisation of historic tax losses | **(117)** | - |
| Adjustments to tax charge in respect of prior periods | **-** | 475 |
| Income not subject to tax | **(2,509)** | (199) |
| Deferred tax not recognised | **172** | 552 |
| Group relief | **(1,502)** | (1,159) |
| **Total tax charge for the year** | **-** | 475 |

### Factors that may affect future tax charges

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. This new law was substantively enacted on 24 May 2021. The tax rate increase has no impact on the financial statements as the Group has no UK tax charge and no UK deferred tax asset or liability.

The Group has an unprovided deferred tax asset of £2,147,000 (2020: £3,471,000) relating to carried forward losses of £1,863,000 (2020: £3,302,000) and other timing differences of £284,000 (2020: £169,000). No deferred tax asset has been recognised on these amounts as it is not regarded as more likely than not that there will be suitable taxable profits/gains against which they can be deducted in the foreseeable future. £1,322,000 of the unrecognised deferred tax asset was transferred from the Group as a result of the disposal of Buyacar Limited (formerly Dennis Buyacar Limited) on 25 March 2021.

The Company has an unprovided deferred tax asset of £2,147,000 (2020: £2,149,000) relating to carried forward losses of £1,863,000 (2020: £1,980,000) and other timing differences of £284,000 (2020: £169,000).

## 15. Intangible assets

| Group | Brands £000 | Assets under construction £000 | Subscriber relation-ships £000 | Computer software £000 | Goodwill £000 | Intellectual property £000 | Total £000 |
|---|---|---|---|---|---|---|---|
| **Cost** | | | | | | | |
| At 1 January 2021 | - | 914 | 7,032 | 8,165 | 3,417 | 150 | 19,678 |
| Additions | 22,061 | 1,207 | - | - | - | - | 23,268 |
| Transfer of additions | - | (1,533) | - | 1,533 | - | - | - |
| Disposals | (2,612) | - | - | (2,488) | - | - | (5,100) |
| On disposal of subsidiaries | - | (436) | - | (1,625) | - | (150) | (2,211) |
| At 31 December 2021 | **19,449** | **152** | **7,032** | **5,585** | **3,417** | **-** | **35,635** |
| **Accumulated amortisation** | | | | | | | |
| At 1 January 2021 | - | - | 7,032 | 4,235 | 3,417 | 150 | 14,834 |
| Charge for the year | 317 | - | - | 2,393 | - | - | 2,710 |
| Amortisation on disposals | - | - | - | (885) | - | - | (885) |
| On disposal of subsidiaries | - | - | - | (1,183) | - | (150) | (1,333) |
| At 31 December 2021 | **317** | **-** | **7,032** | **4,560** | **3,417** | **-** | **15,326** |
| **Net book value** | | | | | | | |
| At 31 December 2021 | **19,132** | **152** | **-** | **1,025** | **-** | **-** | **20,309** |
| At 31 December 2020 (unaudited) | - | 914 | - | 3,930 | - | - | 4,844 |

Additions in computer software includes capitalised staff costs of £nil (2020: £665,000).

## 15. Intangible assets (continued)

| Company | Brands £000 | Assets under construction £000 | Subscriber relation-ships £000 | Computer software £000 | Goodwill £000 | Total £'000 |
|---|---|---|---|---|---|---|
| **Cost** | | | | | | |
| At 1 January 2021 | - | 560 | 7,032 | 6,541 | 3,417 | 17,550 |
| Additions | 22,061 | 1,125 | - | - | - | 23,186 |
| Transfer of additions | - | (1,533) | - | 1,533 | - | - |
| Disposals | (2,612) | - | - | (2,488) | - | (5,100) |
| At 31 December 2021 | **19,449** | **152** | **7,032** | **5,586** | **3,417** | **35,636** |
| **Accumulated amortisation** | | | | | | |
| At 1 January 2021 | - | - | 7,032 | 3,133 | 3,417 | 13,582 |
| Charge for the year | 317 | - | - | 2,312 | - | 2,629 |
| Amortisation on disposals | - | - | - | (885) | - | (885) |
| At 31 December 2021 | **317** | **-** | **7,032** | **4,560** | **3,417** | **15,326** |
| **Net book value** | | | | | | |
| At 31 December 2021 | 19,132 | 152 | - | 1,026 | - | 20,310 |
| At 31 December 2020 | - | 560 | - | 3,408 | - | 3,968 |

## 16. Tangible assets

**Group**

| | Leasehold improvements £000 | Fixtures, fittings and equipment £000 | Computer equipment £000 | Total £000 |
|---|---|---|---|---|
| **Cost** | | | | |
| At 1 January 2021 | 1,681 | 696 | 1,545 | 3,922 |
| Additions | - | 54 | 69 | 123 |
| Disposals | (1,681) | (8) | (122) | (1,811) |
| At 31 December 2021 | - | **742** | **1,492** | **2,234** |
| **Accumulated depreciation** | | | | |
| At 1 January 2021 | 546 | 485 | 1,066 | 2,097 |
| Charge for the year | 143 | 116 | 290 | 549 |
| Depreciation on disposals | (689) | (3) | (44) | (736) |
| At 31 December 2021 | - | **598** | **1,312** | **1,910** |
| **Net book value** | | | | |
| At 31 December 2021 | - | **144** | **180** | **324** |
| At 31 December 2020 (unaudited) | 1,135 | 211 | 479 | 1,825 |

## 16. Tangible assets (continued)

### Company

| | Leasehold improve- ments £000 | Fixtures and fittings £000 | Computer equipment £000 | Total £000 |
|---|---|---|---|---|
| **Cost** | | | | |
| At 1 January 2021 | 1,681 | 696 | 1,545 | 3,922 |
| Additions | - | 54 | 69 | 123 |
| Disposals | (1,681) | (8) | (122) | (1,811) |
| At 31 December 2021 | **-** | **742** | **1,492** | **2,234** |
| **Accumulated depreciation** | | | | |
| At 1 January 2021 | 546 | 485 | 1,066 | 2,097 |
| Charge for the year | 143 | 116 | 290 | 549 |
| Depreciation on disposals | (689) | (3) | (44) | (736) |
| At 31 December 2021 | **-** | **598** | **1,312** | **1,910** |
| **Net book value** | | | | |
| At 31 December 2021 | **-** | **144** | **180** | **324** |
| At 31 December 2020 | 1,135 | 211 | 479 | 1,825 |

## 17. Fixed asset investments

**Company**

| | Investments in subsidiary companies £000 |
|---|---|
| **Cost** | |
| At 1 January 2021 | 24,219 |
| Additions | 8,000 |
| Disposals | (32,219) |
| At 31 December 2021 | - |
| **Provision for impairment** | |
| At 1 January 2021 | 24,218 |
| Impairment on disposals | (24,218) |
| At 31 December 2021 | - |
| **Net book value** | |
| At 31 December 2021 | - |
| At 31 December 2020 | 1 |

**Additions**
On 1 September 2021, the Company acquired the share capital of four new subsidiaries into which it transferred the trade and assets relating to the Cyclist, Viz and Fortean Times publications and the Expert Reviews brand. The transfer of the trade and assets generated a profit on disposal of £6,054,000 for the Group.

**Disposals**
On 25 March 2021, the Company disposed of its investment in Buyacar Limited (formerly Dennis Buyacar Limited) for consideration equal to its net book value and therefore there was no profit or loss on disposal.

During 2021, fifteen of the Company's dormant subsidiaries were struck off the register of companies and two dormant subsidiaries transferred to Broadleaf Newco Limited in order to remove any entities no longer trading nor required by the Company.

## 17. Fixed asset investments (continued)

### Subsidiary undertakings

The following were subsidiary undertakings of the Company at 31 December 2021:

| Name | Registered office | Principal activity | Class of shares | Holding |
|---|---|---|---|---|
| Circle Six Media Inc* | 2711 Centerville Road, Suite 400, Wilmington, Delaware, 19808 | Dormant | Ordinary | 100% |
| Dennis Interactive Inc.* | 155 E 44th St 22nd Floor NY, NY 10017 | Dormant | Ordinary | 100% |
| The Week Limited | 31-32 Alfred Place, London, WC1E 7DP | Dormant | Ordinary | 100% |

* Dormant entity for which individual financial statements are not prepared.

The Week Limited is incorporated in England and Wales, Circle Six Media Inc. and Dennis Interactive Inc. are incorporated in the U.S.A.

The Company agrees to guarantee the liabilities of The Week Limited (02998743) thereby allowing the subsidiary to take exemption from having an audit under section 479A of the Companies Act 2006.

## 18. Stocks

| | **Group 2021 £000** | Unaudited Group 2020 £000 |
|---|---|---|
| Finished goods | - | 212 |
| | - | 212 |

Stock is stated after provisions for impairment of £nil (2020: £nil).

There is no material difference between replacement cost of stocks and the amounts stated above.

## 19. Debtors

| | Group 2021 £000 | Unaudited Group 2020 £000 | Company 2021 £000 | Company 2020 £000 |
|---|---|---|---|---|
| **Due after more than one year** | | | | |
| Amounts owed by related parties | **8,130** | 3,461 | **8,130** | 3,461 |
| Other debtors | **370** | 549 | **370** | 549 |
| | **8,500** | 4,010 | **8,500** | 4,010 |

| | Group 2021 £000 | Unaudited Group 2020 £000 | Company 2021 £000 | Company 2020 £000 |
|---|---|---|---|---|
| **Due within one year** | | | | |
| Trade debtors | **7,346** | 7,214 | **7,346** | 6,523 |
| Amounts owed by related parties | **1,042** | 868 | **860** | 10,239 |
| Other debtors | **8,329** | 574 | **8,329** | 428 |
| Tax recoverable | **389** | 330 | **389** | 330 |
| Prepayments and accrued income | **1,191** | 3,381 | **1,189** | 3,047 |
| | **18,297** | 12,367 | **18,113** | 20,567 |

Trade debtors are stated after provisions for impairment of £228,000 (2020: £90,000).

Amounts owed by related parties, due after more than one year, are unsecured and attract interest of 10% per annum and repayable on 2 October 2028.

Amounts owed by related parties, due within one year, are unsecured, interest free, have no fixed date of repayment and repayable on demand.

Other debtors includes a total of £8,000,000 deferred consideration receivable from the sale of four subsidiaries in 2021 which is receivable on 1 October 2022 and £741,000 (2020: £915,644) deferred consideration receivable over three years (2020: four years) related to the disposal of the Company's 50% interest in Den of Geek World Limited to DoG Tech LLC. £370,000 (2020: £549,000) of this amount is due after more than one year.

## 20. Cash at bank and in hand

| | Group 2021 £000 | Unaudited Group 2020 £000 | Company 2021 £000 | Company 2020 £000 |
|---|---|---|---|---|
| Cash at bank and in hand | **4,990** | 5,561 | **4,990** | 4,094 |
| | **4,990** | 5,561 | **4,990** | 4,094 |

## 21. Creditors: Amounts falling due within one year

| | **Group 2021 £000** | Unaudited Group 2020 £000 | **Company 2021 £000** | Company 2020 £000 |
|---|---|---|---|---|
| Deferred consideration | **-** | 50 | **-** | 50 |
| Trade creditors | **2,963** | 3,798 | **2,963** | 3,523 |
| Amounts owed to related parties | **9,905** | 2,353 | **9,905** | 2,405 |
| Other taxation and social security | **5** | 632 | **5** | 632 |
| Other creditors | **1,581** | 642 | **1,581** | 642 |
| Accruals and deferred income | **14,341** | 19,242 | **14,343** | 18,423 |
| | **28,795** | 26,717 | **28,797** | 25,675 |

**Deferred consideration**
The deferred consideration is in relation to the acquisition of Car Throttle Limited in 2019 which was settled on 2 February 2021.

**Deferred income**
Deferred income due within one year represents deferred subscription revenue.

**Amounts owed to related parties**
Amounts owed to related undertakings are unsecured, attract interest of 10% per annum, have no fixed date of repayment and are repayable on demand.

## 22. Other provisions

**Group**

| | **Sabbatical provision £000** | **Onerous lease provision £000** | **Other provisions £000** | **Total £000** |
|---|---|---|---|---|
| At 1 January 2021 (unaudited) | **136** | **1,945** | **-** | **2,081** |
| Charged to profit or loss | **(124)** | **847** | 1,267 | **1,990** |
| Credited on disposal of subsidiaries | **(12)** | **-** | **-** | **(12)** |
| Utilised in year | **-** | **(661)** | **(317)** | **(978)** |
| **At 31 December 2021** | **-** | **2,131** | **950** | **3,081** |

## 22. Other provisions (continued)

**Company**

| | Sabbatical provision £000 | Onerous lease provision £000 | Other provisions £000 | Total £000 |
|---|---|---|---|---|
| At 1 January 2021 | 124 | 1,945 | - | 2,069 |
| Charged to profit or loss | (124) | 847 | 1,267 | 1,990 |
| Utilised in year | - | (661) | (317) | (978) |
| **At 31 December 2021** | - | 2,131 | 950 | 3,081 |

Onerous lease provisions relate to premises no longer utilised and other provisions to restructuring and onerous contract liabilities. Both provisions are expected to be settled within 2 years.

## 23. Called up share capital

| | 2021 £000 | 2020 £000 |
|---|---|---|
| **Authorised, allotted, called up and fully paid** | | |
| 500,001 (2020 - 500,000) Ordinary Shares of £1 each | 500 | 500 |

During the course of the year, the Company issued 1 Ordinary share for the purchase of intellectual property from the parent company Broadleaf Bidco Limited. The fair value of the intellectual property was £2,612,293 and therefore an additional share premium of £1,195,256 was created which was equal to the historical cost of the intellectual property sold by Broadleaf Bidco Limited less the £1 nominal value of the issued share. A merger reserve of £1,417,036 was created which is equal to the difference between the fair value and the historic cost of the intellectual property.

## 24. Reserves

**Share premium account**

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

**Foreign exchange reserve**

The foreign exchange reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

**Merger reserve**

A merger reserve of £1,417,036 was created in the year on the acquisition of intellectual property (note 23). The intellectual property was subsequently transferred to two subsidiary companies which were sold in the year resulting in the merger reserve being realised in the year.

**Profit and loss account**

This includes all current and prior year retained profits and losses.

## 25. Share based payments

In May 2019, the connected party Broadleaf Topco Limited issued 10,000 Ordinary B2 shares to Estera Trust (Jersey) Ltd to establish the Dennis Group Employee Incentive Trust and acquire, and hold in trust, ordinary share capital in Broadleaf Topco Limited for the benefit of certain employees of the Company.

In August 2020, Broadleaf Topco Limited allocated 36,000 Ordinary B2 shares to the Estera Trust (Jersey) Ltd for the benefit of certain employees of the Company.

The issued shares are required to be measured at their fair value at their respective issue date. The fair value of the shares is influenced by different factors including the value of shareholder debt, which has a priority of return over the shares, and the timing of the shares being sold. Therefore the Monte Carlo option pricing model was used to determine the fair value of the shares by modelling various uncertain future outcomes and eventualities associated with the shares, based on market inputs as at the respective issue dates.

The fair value of the shares issued during the year and allocated to employees at the Balance Sheet date is £nil (2020: £1,121,000). The fair value is accounted for on a straight line basis over the vesting period of three to five years. The issued shares are required to be measured at their fair value at their respective issue date. The fair value of the shares is influenced by different factors including the value of shareholder debt in Broadleaf Midco Limited, which has a priority of return over the shares, and the timing of the shares being sold. Therefore the Monte Carlo option pricing model was used to determine the fair value of the shares by modelling various uncertain future outcomes and eventualities associated with the shares, based on market inputs as at the respective issue dates.

The shares vested in full in the year due to the restructure of the Broadleaf Topco Limited Group prior to the sale to the Future Group on 1 October 2021. The total amount charged to the Consolidated Statement of Comprehensive Income in the year to 31 December 2021 was £1,121,000 (2020: £205,000).

26. **Analysis of net funds**

| | At 1 January 2021 £000 | Cash flows £000 | Other non-cash changes £000 | At 31 December 2021 £000 |
|---|---|---|---|---|
| Cash at bank and in hand | 5,561 | (491) | (80) | 4,990 |
| Loans to related companies | 4,329 | 5,899 | (1,056) | 9,172 |
| Loans from related companies | (2,353) | - | (7,552) | (9,905) |
| | 7,537 | 5,408 | (8,688) | 4,257 |

Major non-cash movements relate primarily to transfers of assets between group undertakings settled against intercompany balances.

## 27. Contingent liabilities

There are no material contingent liabilities requiring disclosure at 31 December 2021 (2020: none).

## 28. Pension commitments

The Group 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 Group to the fund and amounted to £326,000 (2020: £550,000). Contributions totalling £3,000 (2020: £137,000) were payable to the fund at the Balance Sheet date and are included in creditors.

The Company had pension commitments at 31 December 2021 of £3,000 (2020: £137,000).

## 29. Commitments under operating leases

At 31 December the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

| | **Group 2021 £000** | Unaudited Group 2020 £000 | **Company 2021 £000** | Company 2020 £000 |
|---|---|---|---|---|
| Not later than 1 year | **1,575** | 1,575 | **1,575** | 1,575 |
| Later than 1 year and not later than 5 years | **1,163** | 2,738 | **1,163** | 2,738 |
| | **2,738** | 4,313 | **2,738** | 4,313 |

## 30. Related party transactions

During the year the Company and Group provided central services to a number of related parties for which the charges were as follows:

Autovia Limited (formerly Broadleaf Newco Limited) - £2,146,000 (2020 £nil)
The Week Publications Inc - £1,857,000 (2020 £1,191,000)
Kiplinger Washington Editors Inc - £1,138,000 (2020 £760,000)

During 2020, the Company provided central services to its subsidiary, Buyacar Limited (formerly Dennis Buyacar Limited), for which the charge was £820,000. No services were provided in 2021.

During the year, the Company and Group incurred and received interest charges with the following related parties:

Broadleaf Topco Limited – receivable £38,000 (2020 £nil)
Broadleaf Bidco Limited – receivable £1,013,000 (2020: £nil)
Kiplinger Washington Editors Inc – payable £209,000 (2020 £nil)

At the balance sheet date, the Company and Group had the following receivables and payables from related parties:

The Week Publications Inc – receivable of £860,000 (2020 £822,000)
Kiplinger Washington Editors Inc – payable of £7,079,000 (2020 £2,353,000)
Broadleaf Newco 2 Limited – payable of £806,000 (2020 £nil)
Future Publishing Limited – payable of £1,839,000 (2020 £nil)
Buyacar Limited (formerly Dennis Buyacar Limited) – receivable of £nil (2020 £9,372,000)

During the year, the Company sold computer software to Autovia Limited (formerly Broadleaf Newco Limited) for £1,707,000 resulting in a profit on disposal of £624,000 (note 5).

Other than the key management personnel transactions disclosed in note 10, the Company's and Group's other related party transactions were with wholly owned subsidiaries or with members of the consolidated Broadleaf Midco Limited group.

## 31. Subsequent events

On 1 January 2022, the Company transferred its trade, related assets and liabilities to Future Publishing Limited and ceased to trade from this date. The total consideration of £97.6m resulted in a profit on disposal of £89.7m.

## 32. Controlling party

The immediate parent undertaking is Future Holdings 2022 Limited, incorporated in England and Wales. Future plc, a publicly traded company incorporated in England and Wales is the ultimate parent undertaking and ultimate controlling party.

Future plc prepares financial statements to 30 September each year and following a restructuring the Company is not included in the consolidated financial statements of any other parent company as of 31 December 2021. Copies of the Dennis Publishing Limited consolidated financial statements can be obtained from Quay House, The Ambury, Bath, England, BA1 1UA.