

COUNTRY AND TOWN HOUSE LTD
UNAUDITED
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021

BALANCE SHEET
AS AT 31 DECEMBER 2021

		31 December 2021 £	31 March 2021 £
	Note		
Fixed assets			
Intangible assets	4	722	1,085
Tangible assets	5	21,769	14,344
Investments	6	7	7
		<u>22,498</u>	<u>15,436</u>
Current assets			
Debtors: amounts falling due within one year	7	633,528	593,276
Cash at bank and in hand	8	94,054	138,558
		<u>727,582</u>	<u>731,834</u>
Creditors: amounts falling due within one year	9	(1,267,779)	(1,579,772)
Net current liabilities		<u>(540,197)</u>	<u>(847,938)</u>
Total assets less current liabilities		<u>(517,699)</u>	<u>(832,502)</u>
Creditors: amounts falling due after more than one year	10	(1,298,937)	(902,189)
Net liabilities		<u>(1,816,636)</u>	<u>(1,734,691)</u>
Capital and reserves			
Called up share capital	11	172,477	2,477
Share premium account		867,168	867,168
Profit and loss account		(2,856,281)	(2,604,336)
		<u>(1,816,636)</u>	<u>(1,734,691)</u>

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2021

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

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

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

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

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 December 2022.

J D G Isaac
Director

The notes on pages 3 to 11 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

1. General information

Country and Town House Ltd (company number: 05768508) is a private company limited by shares and incorporated in England. Its registered office and trading address is Studio 2, Chelsea Gate Studio, 115 Harwood Road, London, SW6 4QL.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements have been prepared for the nine months ended 31 December 2021. The comparative amounts presented in the financial statements are not directly comparable.

The following principal accounting policies have been applied:

2.2 Going concern

During the nine month period ended 31 December 2021 the company suffered a loss after taxation of £251,945 (Year ended 31 March 2021: loss £186,295) which increased the balance sheet deficit to £1,816,636 (31 March 2021: deficit £1,734,691).

The Company continues to make significant investment in building its online business in order to expand its turnover into higher margin revenue stream areas alongside its established print titles. Progress has been made in this area in the period to 31 December 2021 with the highest ever volumes of online traffic achieved in the reporting period and revenues derived from the Company's website doubled against the previous year.

The directors now consider that the Company is well placed to build on its position with progress being made in 2022. Its anticipated that the company will be profitable during the year ending 31 December 2023.

Additionally, much of the company's borrowing is in the form of medium- term finance that is owed to connected parties, including £965,604 which relates to convertible loan notes. The company has also obtained post year end a £400,000 invoice discounting facility to assist with working capital management.

In light of the above and after taking into account all information that could reasonably be expected to be available, the directors are confident that the company will continue in operational existence for the foreseeable future and that the going concern basis is therefore appropriate for the preparation of the company's financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.3 Revenue and cost recognition

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

Advertising revenue is recognised in the month of issue publication, and direct costs in respect of that issue are also recognised in that particular month.

All other running costs are recognised in the period to which they relate.

Magazine sales are recognised in the month of sale, with production costs booked as incurred. Production cost comprises materials, direct labour and a share of production overheads appropriate to the relevant stage of production.

2.4 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

2.5 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.6 Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.7 Pensions

Defined contribution pension plan

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.8 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.9 Intangible assets

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

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

2.10 Tangible fixed assets

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.10 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:

Fixtures and fittings	-	33%
Computer equipment	-	33%
Website	-	50%

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.

2.11 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.12 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.13 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.14 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.15 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

3. Employees

The average monthly number of employees, including directors, during the period was 27 (2021 - 24).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021

4. Intangible assets

	Patents £
Cost	
At 1 April 2021	3,626
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At 31 December 2021	3,626
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Amortisation	
At 1 April 2021	2,541
Charge for the period on owned assets	363
	<hr/>
At 31 December 2021	2,904
	<hr/>
Net book value	
At 31 December 2021	722
	<hr/> <hr/>
At 31 March 2021	1,085
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021

5. Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Website £	Total £
Cost or valuation				
At 1 April 2021	3,397	21,575	103,086	128,058
Additions	824	8,445	9,300	18,569
At 31 December 2021	<u>4,221</u>	<u>30,020</u>	<u>112,386</u>	<u>146,627</u>
Depreciation				
At 1 April 2021	2,866	18,374	92,474	113,714
Charge for the period on owned assets	593	3,820	6,731	11,144
At 31 December 2021	<u>3,459</u>	<u>22,194</u>	<u>99,205</u>	<u>124,858</u>
Net book value				
At 31 December 2021	<u>762</u>	<u>7,826</u>	<u>13,181</u>	<u>21,769</u>
<i>At 31 March 2021</i>	<u>531</u>	<u>3,201</u>	<u>10,612</u>	<u>14,344</u>

6. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2021	7
At 31 December 2021	<u>7</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

7. Debtors

	31 December 2021 £	31 March 2021 £
Trade debtors	279,882	353,146
Other debtors	70,474	70,474
Prepayments and accrued income	283,172	169,656
	<u>633,528</u>	<u>593,276</u>

8. Cash and cash equivalents

	31 December 2021 £	31 March 2021 £
Cash at bank and in hand	<u>94,054</u>	<u>138,558</u>

9. Creditors: Amounts falling due within one year

	31 December 2021 £	31 March 2021 £
Bank loans	66,667	-
Trade creditors	171,325	360,983
Amounts owed to group undertakings	7	7
Other taxation and social security	588,606	679,548
Other creditors	47,532	74,087
Accruals and deferred income	393,642	465,147
	<u>1,267,779</u>	<u>1,579,772</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

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

	31 December 2021 £	31 March 2021 £
Bank loans	333,333	-
Other loans	-	201,232
Convertible redeemable loan notes	965,604	662,177
Share capital treated as debt	-	38,780
	<u>1,298,937</u>	<u>902,189</u>

11. Share capital

	31 December 2021 £	31 March 2021 £
Shares classified as equity		
Allotted, called up and fully paid		
3,000 (2021 - 3,000) Ordinary shares of £0.01 each	30	30
244,672 (2021 - 244,672) Ordinary A shares of £0.01 each	2,447	2,447
170,000 (2021 - nil) B shares shares of £1.00 each	170,000	-
	<u>172,477</u>	<u>2,477</u>
Shares classified as debt		
Allotted, called up and fully paid		
nil (2021 - 38,780) Preference shares of £1.00 each	<u>-</u>	<u>38,780</u>

On 31 August 2021, 131,220 B shares of £1 each were allotted for cash at par value. The same day, the 38,780 Preference shares of £1 each in issue were redesignated as B shares.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

12. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £17,076 (2021: £18,824). Contributions totalling £3,630 (2021: £12,275) were payable to the fund at the balance sheet date and are included in creditors.

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