

COUNTRY AND TOWN HOUSE LTD
UNAUDITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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COUNTRY AND TOWN HOUSE LTD
REGISTERED NUMBER:05768508

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	4	359	722
Tangible assets	5	44,020	21,769
Investments	6	7	7
		<u>44,386</u>	<u>22,498</u>
Current assets			
Stocks		24,023	47,538
Debtors: amounts falling due within one year	7	399,329	585,990
Cash at bank and in hand	8	138,721	94,054
		<u>562,073</u>	<u>727,582</u>
Creditors: amounts falling due within one year	9	(1,617,886)	(1,267,779)
Net current liabilities		<u>(1,055,813)</u>	<u>(540,197)</u>
Total assets less current liabilities		<u>(1,011,427)</u>	<u>(517,699)</u>
Creditors: amounts falling due after more than one year	10	(1,248,937)	(1,298,937)
Net liabilities		<u>(2,260,364)</u>	<u>(1,816,636)</u>
Capital and reserves			
Called up share capital	11	172,477	172,477
Share premium account		867,168	867,168
Profit and loss account		(3,300,009)	(2,856,281)
		<u>(2,260,364)</u>	<u>(1,816,636)</u>

COUNTRY AND TOWN HOUSE LTD
REGISTERED NUMBER:05768508

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2022

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

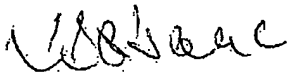
The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 by:



J D G Isaac
Director

Date:

The notes on pages 3 to 9 form part of these financial statements.

COUNTRY AND TOWN HOUSE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. General information

Country and Town House Ltd (company number: 05768508) is a private company limited by shares and incorporated in England. It's 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 following principal accounting policies have been applied:

2.2 Going concern

During the year ended 31 December 2022 the company suffered a loss after taxation of £443,728 which increased the balance sheet deficit to £2,260,364.

The Company saw year on year sales growth in its established print magazine business and continues to invest in growing its online division in order to expand its turnover into higher margin revenue streams alongside the print titles. Progress has been made in this area in the period to 31 December 2022 with the highest ever volumes of online traffic achieved in the reporting period and revenues derived from the Company's website grew against the previous year.

The directors now consider that the Company is well placed to continue to build on its position and it is expected that the business 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 £990,604 which relates to convertible loan notes.

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.

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:

Print advertising revenue is recognised in the month of issue publication and digital advertising upon the digital campaign going live on the Company's website. Direct costs in respect of those revenues 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 costs comprise materials and direct labour.

COUNTRY AND TOWN HOUSE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.4 Interest income

Interest income is recognised in profit or loss using the effective interest method.

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 year 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.

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.

COUNTRY AND TOWN HOUSE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

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.

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 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. Work in progress and finished goods include labour and attributable overheads.

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.

2.13 Debtors

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

COUNTRY AND TOWN HOUSE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.14 Cash and cash equivalents

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

2.15 Creditors

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

2.16 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 year was 32 (2021 - 27).

4. Intangible assets

	Patents £
Cost	
At 1 January 2022	3,626
At 31 December 2022	<u>3,626</u>
Amortisation	
At 1 January 2022	2,904
Charge for the year on owned assets	363
At 31 December 2022	<u>3,267</u>
Net book value	
At 31 December 2022	<u>359</u>
At 31 December 2021	<u>722</u>

COUNTRY AND TOWN HOUSE LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

5. Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Website £	Total £
Cost or valuation				
At 1 January 2022	4,221	30,020	112,386	146,627
Additions	125	9,344	42,200	51,669
Disposals	-	(911)	-	(911)
At 31 December 2022	4,346	38,453	154,586	197,385
Depreciation				
At 1 January 2022	3,459	22,194	99,205	124,858
Charge for the year on owned assets	316	5,134	23,383	28,833
Disposals	-	(326)	-	(326)
At 31 December 2022	3,775	27,002	122,588	153,365
Net book value				
At 31 December 2022	571	11,451	31,998	44,020
At 31 December 2021	762	7,826	13,181	21,769

6. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2022	7
At 31 December 2022	7

COUNTRY AND TOWN HOUSE LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

7. Debtors

	2022 £	2021 £
Trade debtors	216,278	279,882
Other debtors	107,611	70,474
Prepayments and accrued income	75,440	235,634
	<u>399,329</u>	<u>585,990</u>

8. Cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	<u>138,721</u>	<u>94,054</u>

9. Creditors: Amounts falling due within one year

	2022 £	2021 £
Bank loans	100,000	66,667
Trade creditors	233,756	171,325
Amounts owed to group undertakings	7	7
Other taxation and social security	477,056	588,606
Proceeds of factored debts	172,742	-
Other creditors	83,042	47,532
Accruals and deferred income	551,283	393,642
	<u>1,617,886</u>	<u>1,267,779</u>

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

	2022 £	2021 £
Bank loans	258,333	333,333
Convertible redeemable loan notes	990,604	965,604
	<u>1,248,937</u>	<u>1,298,937</u>

COUNTRY AND TOWN HOUSE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

11. Share capital

	2022 £	2021 £
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 - 170,000) B shares shares of £1.00 each	170,000	170,000
	<hr/>	<hr/>
	172,477	172,477
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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 £25,243 (2021: £17,076). Contributions totalling £4,061 (2021: £3,630) were payable to the fund at the balance sheet date and are included in creditors.