

Company Registration No. 06112600 (England and Wales)

AA Media Limited

**Financial statements
for the year ended 31 December 2020**

Pages for filing with the Registrar



AA Media Limited

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AA Media Limited

**Statement of financial position
As at 31 December 2020**

			2020	2019
	Notes	£	£	£
Fixed assets				
Intangible assets	3		3,004,798	3,504,555
Tangible assets	4		68,447	99,187
			<u>3,073,245</u>	<u>3,603,742</u>
Current assets				
Stocks		355,905	858,774	
Debtors	5	563,956	1,042,723	
Cash at bank and in hand		2,687,349	1,136,026	
		<u>3,607,210</u>	<u>3,037,523</u>	
Creditors: amounts falling due within one year	6	(1,821,419)	(2,338,184)	
Net current assets			<u>1,785,791</u>	<u>699,339</u>
Total assets less current liabilities			<u>4,859,036</u>	<u>4,303,081</u>
Creditors: amounts falling due after more than one year	7	(3,500,000)	(2,800,000)	
Net assets			<u><u>1,359,036</u></u>	<u><u>1,503,081</u></u>
Capital and reserves				
Called up share capital	8	100	100	
Profit and loss reserves		1,358,936	1,502,981	
Total equity			<u><u>1,359,036</u></u>	<u><u>1,503,081</u></u>

The directors of the company have elected not to include a copy of the income statement within the financial statements.

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

AA Media Limited

Statement of financial position (continued)

As at 31 December 2020

The financial statements were approved by the board of directors and authorised for issue on 31 March 2021 and are signed on its behalf by:



Owen Davies

Director

Company Registration No. 06112600

1 Accounting policies

Company information

AA Media Limited is a private company limited by shares incorporated in England and Wales. The registered office is Grove House, Lutyens Close, Chineham Court, Basingstoke, Hampshire, England, RG24 8AG.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The directors are monitoring the covid-19 situation and have put in place measures to mitigate the risk arising. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Reporting period

The current year financial statements have been prepared for an accounting period of 12 months. The prior period financial statements were prepared for a short accounting period of 11 months. The comparative amounts presented in the financial statements (including the related notes) are therefore not entirely comparable.

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Notes to the financial statements (continued)

For the year ended 31 December 2020

1 Accounting policies (continued)

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	3 - 5 years
Brand licence	10 years

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	Straight line over 5 years
Computers	Straight line over 5 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Notes to the financial statements (continued)
For the year ended 31 December 2020

1 Accounting policies (continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to sell, which is equivalent to net realisable value.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

1 Accounting policies (continued)

Basic financial assets

Basic financial assets, which include debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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

1.11 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Notes to the financial statements (continued)
For the year ended 31 December 2020

1 Accounting policies (continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.13 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.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.15 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.16 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

Notes to the financial statements (continued)
For the year ended 31 December 2020

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2020 Number	2019 Number
Total	56	78

3 Intangible fixed assets

	Other £
Cost	
At 1 January 2020 and 31 December 2020	3,902,702
Amortisation and impairment	
At 1 January 2020	398,147
Amortisation charged for the year	499,757
At 31 December 2020	897,904
Carrying amount	
At 31 December 2020	3,004,798
At 31 December 2019	3,504,555

Notes to the financial statements (continued)
For the year ended 31 December 2020

4 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 January 2020	131,837
Disposals	(6,244)
At 31 December 2020	125,593
Depreciation and impairment	
At 1 January 2020	32,650
Depreciation charged in the year	25,942
Eliminated in respect of disposals	(1,446)
At 31 December 2020	57,146
Carrying amount	
At 31 December 2020	68,447
At 31 December 2019	99,187

5 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	352,855	786,931
Other debtors	211,101	255,792
	563,956	1,042,723

Notes to the financial statements (continued)
For the year ended 31 December 2020

6 Creditors: amounts falling due within one year

	2020	2019
	£	£
Other loan	-	700,000
Trade creditors	97,257	241,959
Corporation tax	19,819	-
Other taxation and social security	27,295	66,648
Other creditors	1,677,048	1,329,577
	<u>1,821,419</u>	<u>2,338,184</u>

7 Creditors: amounts falling due after more than one year

	2020	2019
	£	£
Other loan	<u>3,500,000</u>	<u>2,800,000</u>

8 Called up share capital

	2020	2019	2020	2019
	Number	Number	£	£
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

9 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Lorenzo Mosca.

The auditor was Saffery Champness LLP.

Notes to the financial statements (continued)
For the year ended 31 December 2020

10 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2020 £	2019 £
Within one year	80,000	80,000
Between two and five years	20,000	100,000
	<u>100,000</u>	<u>180,000</u>

11 Related party transactions

Transactions with related parties

At 31 December 2020, the company owed AA Corporation Limited a loan note balance of £3,500,000 (2019: £3,500,000) and accrued interest thereon of £132,455 (2019: £132,455). The loan note is secured, repayable in instalments over 5 years and incurs interest at a rate of 5% per annum.

During the prior period, the company waived debt due from AA Corporation Limited of £12,859,195. The debt waiver is shown as a distribution in the Statement of changes in equity.

12 Parent company

The parent of the smallest group for which consolidated financial statements are drawn up of which AA Media Limited is a member is Enthuse Holdings Limited, a company registered in England and Wales. The registered office of Enthuse Holdings Limited is Enterprise House, Enterprise Way, Edenbridge, Kent, TN8 6HF.