

Company Registration No. 6724874

DMA Media Holdings Limited

Report & financial Statements

31 December 2020

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DMA Media Holdings Limited
Report and financial statements 2020
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DMA Media Holdings Limited

Strategic report For the year ended 31 December 2020

Group Strategic Report for the year ended 31 December 2020

Introduction

The directors present their group strategic report for the year ended 31 December 2020. The directors, in preparing this strategic report, have complied with s414c of the Companies Act 2017.

Business review and strategy

The DMA Media Holdings Group launches, develops and manages channels for news organisations, broadcasters, international brands and NGOs.

The Group has three major trading divisions operating under its corporate structure.

DMA Media provides consultancy and outsourcing for news and broadcast start-ups all over the world, either on location or from a London base. It also creates and runs entire channels of niche content, co-partnered and accessed on-line.

The Newsmarket produces and curates downloadable, high quality, rights-cleared video and live coverage for brands, to measurable media and stakeholder audiences. It supplies production, media relations, content hosting, distribution and marketing services to some of the world's best-known brands. It includes a proprietary technology platform that hosts and distributes content supplied by brands or produced in house for them.

In February 2019 the Group acquired Headline NFP, based in Belgium. Headline has been a highly-respected provider of studios, lives and video production in Brussels for more than twenty years with a client base which includes major broadcasters in the UK and Europe. This allows the Group to have a presence and facilities in the heart of Europe, significantly expanding the capability and the services offered to broadcast, corporate and online clients.

Turnover reduced from £32.9m to £5.6m (83%). This was a result of a large outsourcing contract finishing at the end of 2019. For the same reason cost of sales reduced from £28.7m to £2.9 m (90%)

Administration expenses remained flat year on year at £3.5 m

EBITDA for the year as stated in note 5 was £382,987 vs £746,345 in 2019

Loss before tax increased from a loss of £62,891 in 2019 to a loss of £1,451,579 in 2020 an increase of £1,388,688. A significant element of this loss is due to the accounting treatment for a pre-acquisition revaluation reserve release in Headline of £790,262.

The Newsmarket developed new products within their online newsrooms and media centre supply which were considered to amount to R&D.

The new technological improvement related to the development of a suite of tools for building, managing and configuring online media centres. It was recognised that new entrants into this market had made it more competitive and clients had more options available to them, so the strategic direction was taken to significantly enhance the services and capabilities of the Client Portal and the media centres created through them to ensure the company maintained a significant competitive edge.

The new technical capabilities built provide a significant competitive advantage as it enables us to exploit far more existing client content and to provide far greater variation in design.

The Group made an R&D claim in the year as disclosed in note 21.

Looking ahead, the business is well placed to grow our multi-channel solutions and continues to actively look at strategic acquisitions and partnerships to develop key markets and sectors.

In March 2020 the Group had to change its operating model due to COVID-19 with all staff moving to remote working which was achieved quickly and seamlessly. Our primary responsibility was to ensure a safe environment for all staff. Due to the nature of our business our key contracts were slowed down in the second half of 2020 however these are now back on track. With the changes we have made to our operating model and services we can provide we are now well placed to take advantage of the changing market conditions

DMA Media Holdings Limited
Strategic report (continued)
For the year ended 31 December 2020

Principal risks and uncertainties

The principal risk facing the group remains the impact of COVID and the speed at which the world reopens as restrictions put in place by governments are relaxed. The risk is being mitigated by strong pipelines in all Group divisions and innovative new products that reflect the new ways that companies are working. We have won new broadcast contracts in India, Nigeria, Afghanistan and Egypt, a new facilities and crewing contract in Brussels and increased our client base in the Newsmarket by 40%. For TheNewsMarket there is new investment in sales and marketing, to expand the customer base and increase the value of existing contracts.

Financial key performance indicators

The directors consider turnover, gross profit, EBITDA and net assets to be the key measures of financial performance. Turnover reduced 80% as a result of our main contract in 2019 ending. Revenue from the main client in 2019 was £27.8m.

There was also an associated reduction in cost of sales related to that contract of £26.8 m. Administration expenses remained flat year on year. Due to all of the above, the impact of COVID and the accounting treatment for a pre-acquisition revaluation reserve release in Headline of £790,262 Operating Profit has reduced from a break even position in 2019 to a loss of £1.3m in 2020.

As shown in note 5 the EBITDA for the year was £382,987 vs £746,345 in 2019.

The Group continued to invest in the development of intellectual property for future growth offering additional services and products as well as targeting new market sectors.

This report was approved by the board on 29 November 2021 and signed on its behalf.



M Toogood

Director

DMA Media Holdings Limited

Directors report For the year ended 31 December 2020

The directors present their annual report and the financial statements for the year ended 31 December 2020.

Principal activities

The principal activities of the Group comprise media and news media consultancy.

Results and dividends

The statement of income is shown on page 9 and shows the loss for the year. The dividend for the year is nil.

Directors

The directors, who served during the year and to the date of signing these accounts, were as follows:

R Beynon
M Toogood
R Sambrook

Appointment of auditors

During the year Greenback Alan LLP were re appointed auditors of the company.

Information for Auditors

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company and the Group's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company and the Group's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Approved by the Board of Directors on 29 November 2021 and signed on its behalf by M Toogood.



Director

Registered Office

10-11 Percy Street
London
W1T 1DN

DMA Media Holdings Limited

Directors' responsibilities statement For the year ended 31 December 2020

The directors are responsible for preparing the Group Annual Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the accounts 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 Group'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 financial statements 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.

Independent auditor's report to the members of DMA Media Holdings Limited

Opinion

We have audited the financial statements of DMA Media Holdings Limited (the "Parent company") and its subsidiaries (the "Group") for the year ended 31 December 2020, which comprise the consolidated Statement of Income, the company and consolidated Statement of financial position, consolidated statement of changes in equity, consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and parent Company's affairs as at 31 December 2020 and of the Group's loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or Parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Independent auditor's report to the members of DMA Media Holdings Limited (continued)

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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 and the parent 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 parent Company or to cease operations, or have no realistic alternative but to do so.

Our 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.

Independent auditor's report to the members of DMA Media Holdings Limited (continued)

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:

We obtained a general understanding of the Group's legal and regulatory framework through enquiry of management concerning: their understanding of relevant laws and regulations; the Group's policies and procedures regarding compliance; and how they identify, evaluate and account for claims. We also drew on our existing understanding of the group's industry and regulation.

We understand that the Group complies with the framework through having in place robust procedures and policies that are developed with and monitored by the scheme administrators and by outsourcing and taking additional professional legal, tax, actuarial and accounting advice on relevant specialist functions and areas including the preparation of financial statements and corporate tax compliance.

In the context of the audit, we considered those laws and regulations: which determine the form and content of the financial statements; which are central to the Group's ability to conduct its business; and where failure to comply could result in material penalties. We identified the following laws and regulations as being of significance in the context of the Group:

- The Companies Act 2006, FRS 102, UK corporate tax laws.

The senior statutory auditor led a discussion with all members of the engagement team regarding the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur. The areas identified in this discussion were:

- Manipulation or error arising in the recognition of revenue leading to over or understatement of profit and assets;
- Manipulation or error in raising accruals and provisions for costs incurred but not invoiced before the statement of financial position date that often entail a significant degree of judgement;

The procedures we carried out to gain sufficient appropriate audit evidence in the above areas included:

- Identifying the business cycles and control environment put in place by management to prevent and detect fraud and error;
- Performing substantive testing on appropriate samples, and investigating any discrepancies identified;
- Reviewing the financial statement disclosures and testing to supporting documentation;
- Documenting the assumptions and judgements made by management in their significant accounting estimates and challenging these with management;
- Identifying and testing journal entries, in particular those around yearend, and involving unusual postings, account combinations, or amounts;

Overall, the senior statutory auditor was satisfied that the engagement team collectively had the appropriate competence and capabilities to identify or recognise irregularities. In particular, both the senior statutory auditor and the audit manager have a number of years' experience in dealing with similar companies that prepare accounts under FRS 102.

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

Independent auditor's report to the members of DMA Media Holdings Limited (continued)

Use of our report

This report is made solely to the Group's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the group's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group and the Group's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Ian Clive Rowe (Senior Statutory Auditor)

for and on behalf of
Greenback Alan LLP

Chartered Accountants
Statutory Auditor

89 Spa Road
London
SE16 3SG

Date: 29 November 2021

DMA Media Holdings Limited

Consolidated statement of income For the year ended 31 December 2020

	Note	2020 £	2019 £
Turnover	2	5,563,984	32,882,798
Cost of sales		(2,901,399)	(28,699,372)
		<hr/>	<hr/>
Gross profit		2,662,585	4,183,426
Administrative expenses		(3,519,138)	(3,535,800)
Depreciation and amortisation		(647,333)	(647,972)
Profit on disposal of tangible fixed assets at acquired fair value	3	203,334	-
Other Operating Income		56,450	-
		<hr/>	<hr/>
Operating profit/(Loss)	4	(1,244,102)	(346)
Interest receivable and similar income			
Interest payable and similar charges	6	(171,477)	(62,545)
		<hr/>	<hr/>
Profit/(Loss) before taxation		(1,415,579)	(62,891)
Taxation on profit	10	78,252	31,998
		<hr/>	<hr/>
Profit/(Loss) after taxation		(1,337,327)	(30,893)
		<hr/>	<hr/>
Profit/(Loss) attributable to:			
Shareholders		(1,331,260)	(23,262)
Minority interest		(6,067)	(7,631)
		<hr/>	<hr/>
		(1,337,327)	(30,893)
		<hr/>	<hr/>

The notes on pages 18 to 29 form part of these financial statements.

DMA Media Holdings Limited

Consolidated statement of comprehensive income For the year ended 31 December 2020

	2020	2019
	£	£
Loss for the financial year	(1,337,327)	(30,893)
Other comprehensive income / (expense)		
Fair value adjustments	-	771,588
	<hr/>	<hr/>
Total comprehensive income for the year	(1,337,327)	740,695
Total comprehensive income attributable to		
Owners of the parent	(1,331,260)	748,326
Non-controlling interests	(6,067)	(7,631)
	<hr/>	<hr/>
	(1,337,327)	740,695
	<hr/> <hr/>	<hr/> <hr/>

DMA Media Holdings Limited
Registered number: 6724874

Consolidated statement of financial position
As at 31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	13	1,149,968	2,635,921
Intangible assets	14	2,624,354	2,656,159
Investment	15	174,955	174,955
		<hr/>	<hr/>
		3,949,277	5,467,035
Current assets			
Debtors	16	2,149,394	3,256,135
Cash at bank and in hand		537,844	2,560,311
		<hr/>	<hr/>
		2,687,238	5,816,446
Creditors: amounts falling due within one year	17	(4,936,243)	(8,185,164)
		<hr/>	<hr/>
Net current liabilities		(2,249,005)	(2,368,718)
Total assets less current liabilities		1,700,272	3,098,317
Creditors: amounts falling due after one year	18	(720,906)	(579,939)
		<hr/>	<hr/>
Net assets		979,366	2,518,378
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	22	1,051	1,051
Capital reserve		254,401	254,401
Revaluation reserve		569,903	771,588
Profit and loss account		449,301	1,780,561
Minority interests		(295,290)	(289,223)
		<hr/>	<hr/>
		979,366	2,518,378
		<hr/>	<hr/>

The financial statements of DMA Media Holdings Limited were approved by the Board of Directors on 29th of November 2021

Signed on behalf of the Board of Directors


M Toogood
Director

The notes on pages 18 to 29 form part of these financial statements.

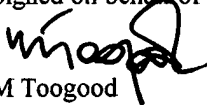
DMA Media Holdings Limited
Registered number: 6724874

Company statement of financial position
As at 31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Investments	15	1,574,375	1,574,375
Current assets			
Debtors	16	-	-
Cash at bank and in hand		1,051	1,051
		<u>1,051</u>	<u>1,051</u>
Creditors: amounts falling due within one year	17	-	-
		<u>-</u>	<u>-</u>
Net current liabilities		1,051	1,051
Total assets less current liabilities		1,575,426	1,575,426
Creditors: amounts falling due after one year	18	(1,574,375)	(1,574,375)
		<u>(1,574,375)</u>	<u>(1,574,375)</u>
Net assets/(liabilities)		<u>1,051</u>	<u>1,051</u>
Capital and reserves			
Called up share capital	22	1,051	1,051
Profit and loss account		-	-
		<u>1,051</u>	<u>1,051</u>

The financial statements of DMA Media Holdings Limited were approved by the Board of Directors on the 29th of November 2021

Signed on behalf of the Board of Directors


M Toogood
Director

The notes on pages 18 to 29 form part of these financial statements.

DMA Media Holdings Limited

Consolidated statement of changes in equity For the year ended 31 December 2020

	Issued Share Capital £	Capital reserve account £	Revaluation Reserve £	Profit & loss account £	Minority interest £	Total funds £
At 1 January 2020	1,051	254,401	771,588	1,780,561	(289,223)	2,518,378
Profit/(loss) for the year	-	-	-	(1,331,260)	(6,067)	(1,337,327)
Revaluation	-	-	(201,685)	-	-	(201,685)
Balance at 31 December 2020	1,051	254,401	569,903	449,301	(295,290)	979,366

	Issued Share Capital £	Capital reserve account £	Revaluation Reserve £	Profit & loss account £	Minority interest £	Total funds £
At 1 January 2019	1,051	254,401	-	1,803,823	(281,592)	1,777,683
Profit/(loss) for the year	-	-	-	(23,262)	(7,631)	(30,893)
Revaluation			771,588			771,588
Balance at 31 December 2019	1,051	254,401	771,588	1,780,561	(289,223)	2,518,378

DMA Media Holdings Limited

Consolidated statement of cash flows For the year ended 31 December 2020

		2020	2019
		£	£
Cash flow from operating activities	11	(1,313,456)	1,719,271
Taxation paid		(3,133)	(6,454)
		<hr/>	<hr/>
Net cash generated from Operating activities		(1,316,589)	1,712,817
Cash flow from investing activities			
Purchase of intangible assets		(482,386)	(528,708)
Purchase of tangible assets		(35,099)	(178,141)
Purchase of subsidiaries (net of cash acquired)		(270,608)	(919,644)
Purchase of Fixed Asset Investment		-	(124,955)
		<hr/>	<hr/>
Net cash used in investing activities		(788,093)	(1,751,448)
Cash flow from financing activities			
Proceeds from disposal of tangible fixed assets		1,384,918	(3,056)
Repayment of bank loans		(503,073)	(3,056)
Receipts from bank loan facilities		-	110,000
Repayment of other loans		(117,667)	(328,076)
Receipts from other Loans facilities		1,025,888	180,531
Interest Paid		(171,477)	(62,545)
		<hr/>	<hr/>
Net cash used in financing activities		1,618,589	(103,146)
Net increase in cash and cash equivalents		(486,093)	(141,777)
Cash and cash equivalents from the beginning of the year		2,560,311	418,820
Client Double Payment		(2,283,268)	2,283,268
		<hr/>	<hr/>
Cash and cash equivalents at the end of the year		(209,050)	2,560,311

DMA Media Holdings Limited

Consolidated statement of cash flows (continued) For the year ended 31 December 2020

	2020	2019
	£	£
Cash and cash equivalent consist of:		
Cash at bank and in hand	537,844	2,560,311
Bank overdrafts	(746,894)	-
	<hr/>	<hr/>
Cash and cash equivalents	(209,050)	2,560,311

DMA Media Holdings Limited

Notes to the financial statements For the year ended 31 December 2020

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the current and preceding year.

General information and basis of accounting

DMA Media Holdings Limited is a company incorporated in the United Kingdom under the Companies Act.

The Company is a private company limited by shares and is registered in England and Wales. The address of the Company's registered office and principal place of business is shown on page 4. The principal activities of the Company are set out in the Directors' report.

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 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.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and entities controlled by the group (its subsidiaries). Control is achieved where the group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The results of subsidiaries acquired or disposed of during the year are included in total comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate using accounting policies consistent with those of the parent. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation. Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the costs, less estimated residual value, of each asset on a straight-line basis over its expected useful life as follows:

Furniture and fittings	4 years
Computer equipment	3-4 years
Property	30 years

Residual value is calculated on prices prevailing at the date of acquisition.

Broadcast equipment and property are stated at revalued amounts, being the fair value at date of revaluation less any accumulated depreciation and provision for impairment.

Intangible fixed assets

Development expenditure is written off, except where the directors are satisfied as to the technical, commercial and financial viability of individual projects. In such cases, the identifiable expenditure is capitalised as an intangible asset and amortised over a period during which the company is expected to benefit. This period is 10 years. Provision is made for any impairment.

Residual value is calculated on prices prevailing at the date of acquisition.

Positive goodwill is capitalised, classified as an intangible asset on the balance sheet and amortised on a straight-line basis over its useful economic life. It is reviewed for impairment at the end of its first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be reviewed. The useful economic life of goodwill has been deemed to be 10 years, which is the directors' best estimate of the remaining useful life.

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

DMA Media Holdings Limited

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

1. Accounting policies (continued)

When there are indicators of impairment, an impairment review on investments is carried out and a provision booked where necessary.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Taxation

Current tax, being UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Revenue

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:

Rendering of services

Revenue 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 revenue 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

Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

Finance liabilities and instruments

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

DMA Media Holdings Limited

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

1. Accounting policies (continued)

Finance liabilities and instruments (continued)

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cashflows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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

Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees.

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

The contributions are recognised as an expense in the Statement of Income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at the transaction price less any provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the reporting year-end, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand, short-term bank deposits and money market funds.

DMA Media Holdings Limited

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

1. Accounting policies (continued)

Foreign currency translation

Transactions included in the results of the company are measured using the currency of the primary economic environment in which the entity operates (the functional currency). Transactions in foreign currencies are translated into the functional currency at the rates of exchange prevailing at the dates of the individual transactions. Monetary assets and liabilities denominated in foreign currencies are subsequently retranslated at the rate of exchange ruling at the end of the reporting period. All differences are taken to the income statement, except those arising on long-term foreign currency borrowings used to finance or hedge foreign currency investments which on consolidation are taken directly to other comprehensive income.

2. Segment information

Turnover is wholly attributable to the group's principal activity.

The Group has three main divisions: DMA Media Ltd and Synaptic Digital Ltd both based in the UK. Headline is based in Belgium.

Turnover is broken down as follows

UK - £1,025,047 (2019: £29,830,854) Rest of the world £4,538,937 (2019: £3,051,944)

3. Profit on Disposal of Tangible Fixed Asset

During the year the Group disposed of the property acquired in 2019 with the purchase of the subsidiary, Headline NFP. The profit on disposal was calculated as follows:

	Year ended 2020 £	Year ended 2019 £
Proceeds	1,384,918	-
Less: Original cost of property less accumulated depreciation	(391,322)	-
Profit on Disposal of Property at original cost	993,596	-
Less: Pre-acquisition revaluation reserve released in Headline	(790,262)	-
Profit on Disposal of Property at Fair Value Acquired	203,334	-

DMA Media Holdings Limited

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

4. Operating Profit / (Loss)

Operating Profit / (Loss) before taxation is stated after charging:

	Year ended	Year ended
	2020	2019
	£	£
Fees payable to the company auditors	28,350	28,350
Depreciation / amortisation	647,333	647,972
Foreign exchange gains/losses	(39,990)	104,442

No other fees were paid to the Company's auditor in the current or prior year.

5. Reconciliation of Operating Profit to Management Accounts EBITDA

	Year ended	Year ended
	2020	2019
	£	£
Operating Loss	(1,244,102)	(346)
Add back:		
Depreciation and amortisation	647,333	647,972
Pre-acquisition revaluation reserve release in Headline	790,262	-
Restructuring costs	133,162	98,719
2018 bad debt	56,332	-
	<hr/>	<hr/>
EBITDA per Management Accounts	382,987	746,345
	<hr/>	<hr/>

6. Interest payable and similar charges

	Year ended	Year ended
	2020	2019
	£	£
Bank charges & interest	111,012	50,794
Loan interest	60,465	11,751
	<hr/>	<hr/>
	171,477	62,545
	<hr/>	<hr/>

DMA Media Holdings Limited

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

7. Staff costs

The average monthly number of employees (including executive directors) was:

	Year ended	Year ended
	2020	2019
	No	No
Office and Management	11	11
Sales and account management	13	11
DMA Production	3	3
DMA Tech	-	32
Persian Broadcasting	-	180
	<hr/>	<hr/>
	27	237
	<hr/>	<hr/>

Staff costs were as follows:

	2020	2019
	£	£
Wages and Salaries	1,427,814	11,566,302
Social security costs	269,246	2,239,093
Cost of defined contribution scheme	51,858	211,846
	<hr/>	<hr/>
	1,748,918	14,017,241
	<hr/>	<hr/>

8. Directors' remuneration

	2020	2019
	£	£
Directors emoluments	234,000	380,000

The highest paid director received remuneration of £117,000 (2019 £190,000)

DMA Media Holdings Limited

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

9. Pension

The total expense related to the pension contribution plan for the current year was £82,419 (2019 £432,948). The balance of the pension contribution fund at the end of the year was £6,306 (£2,991 is the employee's contribution). Balance in 2019 was £44,097 (£24,969 is the employee's contribution).

10. Tax on profit

The tax charge comprises:

	Year ended 2020 £	Year ended 2019 £
Current tax		
UK corporation tax	(158,137)	(70,185)
Deferred tax	79,885	38,187
Total tax on profit	(78,252)	(31,998)

Tax reconciliation – see note 21

11. Net cash generated from operating activities

	2020 £	2019 £
(Loss) / Profit for the financial year	(1,337,327)	(30,893)
Adjustment for:		
Tax on profit	(78,252)	(31,998)
Net interest expense	171,477	62,545
Operating loss / profit	(1,244,102)	(346)
Depreciation of tangible assets	133,142	176,767
Amortisation of intangible assets	514,191	471,205
Profit on sale of tangible assets	(203,334)	-
Loss on disposal of intangible asset	-	9,835
(Increase) decrease in trade debtors	423,321	1,251,634
(Increase) decrease in other debtors	764,412	(193,456)
Increase (decrease) in trade creditors	(1,488,767)	658,531
Increase (decrease) in other creditors	(212,319)	(654,899)
Net cash generated from Operating activities	(1,313,456)	1,719,271

DMA Media Holdings Limited

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

12. Movement in net debt

	1 Jan 2020	Net cash flows	Acquisition of subsidiaries	31 Dec 2020
Cash at bank and in hand	2,560,311	(2,769,361)	-	(209,050)
Bank loans	(626,406)	503,073	-	(123,333)
Other loans	(124,112)	(908,221)	-	(1,032,333)
Total	1,809,793	(3,174,509)	-	(1,364,716)

13. Tangible fixed assets

	Office equipment	Computer and fixtures	Property	Broadcast Equipment	Total
Group	£	£	£	£	£
Cost					
At 1 January 2020	324,798	83,959	1,391,304	1,220,128	3,020,189
Additions	500	10,899	-	23,700	35,099
Fair value adjustment	-	-	-	-	-
Disposals	-	-	(1,391,304)	(14,296)	(1,405,600)
At 31 December 2020	325,298	94,858	-	1,229,532	1,649,688
Depreciation					
At 1 January 2020	194,173	42,260	17,690	130,145	384,268
Charge for the year	32,105	17,912	-	83,125	133,142
Disposals	-	-	(17,690)	-	(17,690)
At 31 December 2020	226,278	60,172	-	213,270	499,720
Net book value					
At 31 December 2020	99,020	34,686	-	1,016,262	1,149,968
At 31 December 2019	130,625	41,699	1,373,614	1,089,983	2,635,921

DMA Media Holdings Limited

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

14. Intangible fixed assets

	Archive	Website & platform	Goodwill	Total
	£	£	£	£
Group				
Cost				
At 1 January 2020	97,102	2,043,998	1,819,167	3,960,267
Additions	-	482,386	-	482,386
Disposals	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2020	97,102	2,526,384	1,819,167	4,442,653
	<hr/>	<hr/>	<hr/>	<hr/>
Amortisation				
At 1 January 2020	31,556	769,822	502,730	1,304,108
Charge for the year	8,091	360,864	145,236	514,191
Disposals	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2020	39,647	1,130,686	647,966	1,818,299
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 December 2020	57,455	1,395,698	1,171,201	2,624,354
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2019	65,546	1,274,176	1,316,437	2,656,159
	<hr/>	<hr/>	<hr/>	<hr/>

DMA Media Holdings Limited

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

15. Fixed asset investments

	Group Other Fixed Asset investments	Company Interest in Subsidiary Cos
	£	£
Cost or Valuation		
At 1 January 2020	174,955	1,574,375
Additions	-	-
	<hr/>	<hr/>
At 31 December 2020	174,955	1,574,375
	<hr/>	<hr/>
Net book value		
At 31 December 2020	174,955	1,574,375
	<hr/>	<hr/>
At 31 December 2019	174,955	1,574,375
	<hr/>	<hr/>

Interest in subsidiaries (unquoted)

The following were subsidiary undertakings of the company:

Undertaking	Share class	% held	Country of incorporation
DMA Media Ltd	Ordinary	100	UK
Synaptic Digital Ltd	Ordinary	100	UK
Vivid White Productions Ltd	Ordinary	100	UK
DMA Media Productions Ltd	Ordinary	100	UK
Unseen Archives Ltd	Ordinary	80	UK
DMA Media Ventures Ltd	Ordinary	80	UK
The Newsmarket Inc	Ordinary	100	USA
TNM Media Private Ltd	Ordinary	100	India
Headline NFP	Ordinary	100	Belgium

The principal activity of each of the entities is the provision of media and news media consultancy services.

DMA Media Holdings Limited

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

16. Debtors

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Trade debtors	270,596	693,917	-	-
Other debtors	811,087	569,329	-	-
Work in progress	8,924	13,061	-	-
Amounts owed by group undertakings	-	-	-	-
Taxation and social security	351,910	245,371	-	-
Deferred tax	224,684	304,569	-	-
Prepayments and accrued income	482,193	1,429,888	-	-
	<u>2,149,394</u>	<u>3,256,135</u>	<u>-</u>	<u>-</u>

The deferred tax asset balance is broken down as follows:

	2020	2019
	£	£
Less than 1 year	44,937	60,914
Between two and five years	179,747	243,655

17. Creditors: amounts falling due within one year

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Bank overdrafts	746,894	-	-	-
Bank loans	36,667	486,874	-	-
Trade creditors	922,306	2,411,073	-	-
Other creditors	602,861	2,988,734	-	-
Other loans	450,709	65,920	-	-
Taxation and social security	1,212,829	1,682,858	-	-
Current taxation	76,093	77,344	-	-
Accruals and deferred income	887,884	472,361	-	-
	<u>4,936,243</u>	<u>8,185,164</u>	<u>-</u>	<u>-</u>

DMA Media Holdings Limited

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

18. Creditors: amounts falling due after one year

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Bank loans	86,667	139,532	-	-
Other loans	581,624	58,192	-	-
Other creditors	52,615	382,215	52,615	382,215
Amounts owed to group undertakings	-	-	1,521,760	1,192,160
	<u>720,906</u>	<u>579,939</u>	<u>1,574,375</u>	<u>1,574,375</u>

19. Directors Loan

2019	Total
1 st January 2019	-
Advances	(14,553)
Repaid	14,553
31st December 2019	-
2020	Total
1 st January 2020	-
Advances	(49,000)
Repaid	335,000
31st December 2020	286,000

20. Deferred Taxation

At the beginning of the year	304,569	342,756
Deferred tax	(79,885)	(38,187)
	<u>224,684</u>	<u>304,569</u>
At the end of the year		
The deferred tax asset is made up as follows		
Tax losses carried forwards	<u>224,684</u>	<u>304,569</u>

DMA Media Holdings Limited

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

21. Income tax reconciliation

	2020	2019
	£	£
Profit/(loss) before tax multiplied by standard rate of corporation tax in the UK of 19% (2018: 19%).	(268,960)	(11,957)
Expenses not deductible for tax purposes	9,031	5,922
Book profit on disposal of tangible fixed assets	150,150	-
Research & development claim	(69,223)	(93,614)
Depreciations for year in excess of Capital allowances	34,303	2,274
Short term timing differences	79,885	38,187
Utilisation of tax losses	(98,674)	(2,881)
Unrealised tax losses carried forward	58,784	-
Higher rate taxes on overseas earnings	9,963	-
Other differences	16,489	30,071
Total tax charge for the year	(78,252)	(31,998)

22. Share Capital

	2020		2019	
	No	£	No	£
Called up and fully paid				
Ordinary shares of £0.01 each	1,051	1,051	1,051	1,051

On 13th May 2019 the £1 shares were subdivided into £0.01 shares

DMA Media Holdings Limited

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

23. Reserves

Capital Reserve

The capital reserve is created on the initial consolidation of the group. It is not created from trading or operational activities, and is therefore not distributable to the shareholders.

Profit and loss account

The profit and loss account represents cumulative profits or losses, net of any dividends paid.

Minority Interests

Minority Interests represents the amounts attributable to the non-controlling shareholders of subsidiary companies.

24. Operating lease commitments

Annual commitments under non-cancellable operating leases are as follows

	2020	2019
	£	£
Other operating leases		
Not later than one year	163,000	163,000
Between two and five years	22,512	185,512
	<u>185,512</u>	<u>348,512</u>

25. Furlough Income

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 income and retained earnings in the same period as the related expenditure.

26. Ultimate controlling party

Mr R Beynon and Mr M Toogood control the company as a result of holding 98% of the issued share capital.