

Registered number: 08528676

KM MEDIA GROUP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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KM MEDIA GROUP LIMITED

COMPANY INFORMATION

DIRECTORS

I J Carter
D S Fordham
D J Gray
The Honourable E R Iliffe
W Shepherd

REGISTERED NUMBER

08528676

REGISTERED OFFICE

Medway House
Sir Thomas Longley Road
Medway City Estate
Rochester
Kent
ME2 4DU

INDEPENDENT AUDITORS

Peters Elworthy & Moore
Chartered Accountants & Statutory Auditors
Salisbury House
Station Road
Cambridge
CB1 2LA

KM MEDIA GROUP LIMITED

CONTENTS

	Page
Strategic Report	1
Directors' Report	2 - 3
Independent Auditors' Report	4 - 7
Profit and Loss Account	8
Balance Sheet	9
Statement of Changes in Equity	10
Notes to the Financial Statements	11 - 22

KM MEDIA GROUP LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2022**

INTRODUCTION

The directors present their Strategic Report for the year ended 31 March 2022.

BUSINESS REVIEW

The Company is a media business company and its principal activities continue to be the provision of editorial content and advertising services across print, digital and radio channels. The company operates across the county of Kent.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks to the Company arise mainly from economic pressures on circulation and advertising revenues. Inflationary pressures on the Company arising from the current political uncertainty, have had an impact as the principal purchases within the Company remain newsprint and print production, both of which have been adversely affected by rising energy costs. To mitigate the risks from economic pressures and rising costs, the Company has increased cover prices earlier than budgeted and has undertaken a review of yields across our markets.

To further mitigate these risks, the Company entered into an arrangement for a new commercial and editorial publishing system, which will allow for further synergies to be made. The Company continues to make use of Iliffe Media Group's centralised back office functions to further increase efficiencies.

FINANCIAL KEY PERFORMANCE INDICATORS

The key risk for the business remains turnover performance and the key metric is the underlying performance year on year. The Group turnover figures decreased due to the impact of the pandemic throughout the financial year, whereas in the previous year, the coronavirus restrictions only affected the final month.

	2022	2021	% Year on Year
	£'k	£'k	Movement
Turnover	8,410	7,089	19%

OTHER KEY PERFORMANCE INDICATORS

The other measures in the business are year end headcount numbers and turnover to headcount, which are key measures of operational efficiency. Headcount numbers have reduced as a result of centralising certain functions within the parent company.

	Year to 31 March 2022	Period to 31 March 2021
Year-end Headcount	112	120
Turnover to Headcount	£75k	£59k

This report was approved by the board and signed on its behalf by:



The Honourable E R Iliffe
Director

Date: 16 December 2022

KM MEDIA GROUP LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2022**

The directors present their report and the financial statements for the year ended 31 March 2022.

PRINCIPAL ACTIVITY

The principal activities of the company are the publishing of newspapers and digital websites, radio broadcasting and other media interests.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £666,490 (2021 - loss £323,004).

During the period no dividends were paid or declared (2021 - £NIL).

DIRECTORS

The directors who served during the year were:

I J Carter
D S Fordham
D J Gray
J G Gurney (resigned 16 May 2021)
The Honourable E R Iliffe
W Shepherd

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic Report, the Directors' Report and the 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

KM MEDIA GROUP LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

FUTURE DEVELOPMENTS

The Company and its subsidiaries continue to develop its online and subscription platforms to maximise revenue growth in this area. The development of apps and the use of micro payments are at the forefront of media technology and the company is committed to introducing its own solution.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

AUDITORS

Under section 487(2) of the Companies Act 2006, Peters Elworthy & Moore will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board and signed on its behalf by:



**The Honourable E R Iliffe
Director**

Date: 16 November 2022

KM MEDIA GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KM MEDIA GROUP LIMITED

OPINION

We have audited the financial statements of KM Media Group Limited (the 'Company') for the year ended 31 March 2022, which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity 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 Company's affairs as at 31 March 2022 and of its profit for the year 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 Company 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.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 2.3 in the financial statements, which indicates that the company is reliant on the continued support of its parent and fellow subsidiary companies to continue trading. As stated in note 2.3, these events or conditions, along with the other matters as set forth in note 2.3, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included obtaining confirmation from the Company's group creditors that the loans will not be recalled for a period of not less than 12 months from the date the financial statements are approved.

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

KM MEDIA GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KM MEDIA GROUP LIMITED (CONTINUED)

OTHER INFORMATION

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report 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 Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or 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.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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 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 Company or to cease operations, or have no realistic alternative but to do so.

KM MEDIA GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KM MEDIA GROUP LIMITED (CONTINUED)

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

Audit procedures performed by the engagement team to identify and assess the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, were as follows:

- We identified the laws and regulations applicable to the Company through discussions with the directors and other management, and from our commercial knowledge and experience of the media sector.
- We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements, including the Companies Act 2006 and UK taxation legislation, or the operations of the Company including UK employment legislation.
- We obtained an understanding of the Company's policies and procedures on compliance with laws and regulations including documentation of any instances of non-compliance.

We assessed the susceptibility of the Company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud and considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of fraud through management bias and override of controls. In addressing the risk of fraud through management override of controls we:

- Tested the appropriateness of journal entries and other adjustments.
- Designed procedures to identify unexpected and unusual journal entries and performed testing to confirm the validity of such postings.
- Assessed whether significant accounting judgements and estimates made in the financial statements, as identified in note 3, were indicative of potential bias.
- Evaluated the business rationale of any significant transactions that were unusual or outside the normal course of business.

In response to the risk of irregularities, including fraud and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Agreeing financial statement disclosures to underlying supporting documentation.
- Enquiring of management as to actual and potential litigation and claims.
- Reading the minutes of meetings of those charged with governance.

KM MEDIA GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KM MEDIA GROUP LIMITED (CONTINUED)

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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.

USE OF OUR REPORT

This report is made solely to the Company'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 Company'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 Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



James Burrett (Senior Statutory Auditor)
for and on behalf of
Peters Elworthy & Moore
Chartered Accountants
Statutory Auditors
Salisbury House
Station Road
Cambridge
CB1 2LA
Date: 16 December 2022

KM MEDIA GROUP LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	2022 £	2021 £
Turnover	4	8,409,977	7,088,931
Cost of sales		(5,764,625)	(6,190,568)
GROSS PROFIT		2,645,352	898,363
Distribution costs		(90,510)	(179,329)
Administrative expenses		(1,955,929)	(1,572,270)
Other operating income	5	67,580	530,232
OPERATING PROFIT/(LOSS)	6	666,493	(323,004)
Interest payable and similar expenses	10	(3)	-
PROFIT/(LOSS) BEFORE TAX		666,490	(323,004)
Tax on profit/(loss)	11	-	-
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		666,490	(323,004)

There were no recognised gains and losses for 2022 or 2021 other than those included in the profit and loss account.

The notes on pages 11 to 22 form part of these financial statements.

KM MEDIA GROUP LIMITED
REGISTERED NUMBER: 08528676

BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
FIXED ASSETS			
Intangible assets	12	493,786	613,692
Tangible assets	13	1,207,136	1,244,929
Investments	14	2	2
		<u>1,700,924</u>	<u>1,858,623</u>
CURRENT ASSETS			
Debtors: amounts falling due within one year	15	1,694,505	649,230
Cash at bank and in hand		39,444	44,489
		<u>1,733,949</u>	<u>693,719</u>
Creditors: amounts falling due within one year	16	(4,164,785)	(3,948,744)
NET CURRENT LIABILITIES		<u>(2,430,836)</u>	<u>(3,255,025)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(729,912)</u>	<u>(1,396,402)</u>
NET LIABILITIES		<u><u>(729,912)</u></u>	<u><u>(1,396,402)</u></u>
CAPITAL AND RESERVES			
Called up share capital	17	1	1
Profit and loss account	18	(729,913)	(1,396,403)
		<u><u>(729,912)</u></u>	<u><u>(1,396,402)</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



The Honourable E R Iliffe
Director

Date: 16 December 2022

The notes on pages 11 to 22 form part of these financial statements.

KM MEDIA GROUP LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
AT 1 APRIL 2020	1	(1,073,399)	(1,073,398)
Loss for the year	-	(323,004)	(323,004)
AT 1 APRIL 2021	1	(1,396,403)	(1,396,402)
Profit for the year	-	666,490	666,490
AT 31 MARCH 2022	1	(729,913)	(729,912)

The notes on pages 11 to 22 form part of these financial statements.

KM MEDIA GROUP LIMITED

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

1. GENERAL INFORMATION

The Company is limited by shares and incorporated in England and Wales. The registered office of the Company is Medway House, Sir Thomas Longley Road, Medway City Estate, Rochester, ME2 4DU.

The Company's functional and presentational currency is GBP.

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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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

The following principal accounting policies have been applied:

2.2 FINANCIAL REPORTING STANDARD 102 - REDUCED DISCLOSURE EXEMPTIONS

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Iliffe Media Group Limited as at 31 March 2022 and these financial statements may be obtained from Winship Road, Milton, Cambridge, CB24 6PP.

2.3 GOING CONCERN

At 31 March 2022 the Company has net liabilities of £729,912 (2021 - £1,396,402). The financial statements have been prepared on a going concern basis which assumes the Company will continue trading for the foreseeable future, being a period of not less than 12 months from the date of approval of these financial statements.

The directors regularly review the Company's ability to continue as a going concern, and continually monitor weekly, monthly and annual cash flow forecasts. During the pandemic, the Company made use of the furlough scheme and deferred VAT and PAYE payments as part of the HMRC deferral scheme. As of January 2022, all deferred VAT/PAYE was fully repaid from free cash flow. Subsequently, the Company has made quarterly VAT payments in time and in full. The Company has also brought its previously outsourced credit control function in-house, which has had a positive effect on cash flow.

The directors continue to review the Company's operations and property portfolio and make changes where necessary to save costs and improve cash flow. The operational cash flow shows no reason as to why the directors should not consider the Company as being a going concern. The directors have considered relevant information in making their assessment, including the annual budget and

KM MEDIA GROUP LIMITED

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

2. ACCOUNTING POLICIES (CONTINUED)**2.3 GOING CONCERN (CONTINUED)**

future cash flows.

The Company is currently being financed by its parent Company. In assessing the ability of the Company to continue to operate as a going concern the lender has indicated their ongoing financial support.

The directors of KM Media Group Limited are therefore satisfied that the Company can meet its liabilities as they fall due and thus the Company continues to adopt the going concern basis of accounting in preparing the financial statements.

2.4 TURNOVER

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes or fees.

Print advertising revenue is recognised on publication and circulation revenue is recognised at the point of sale. Digital advertising revenue is recognised in the period in which the services are provided.

2.5 GOVERNMENT GRANTS

Grants are accounted under the accruals model as permitted by FRS 102. Grants of a revenue nature are recognised in the Profit and Loss Account in the same period as the related expenditure.

2.6 INTANGIBLE ASSETS**GOODWILL**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Profit and Loss Account over its useful economic life.

OTHER 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.

The estimated useful lives range as follows:

Radio licences	-	5 years or the life of the licence
Software	-	5 years

KM MEDIA GROUP LIMITED

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

2. ACCOUNTING POLICIES (CONTINUED)**2.7 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:

Freehold property	- 50 years
Plant and machinery	- 5 years
Fixtures and fittings	- 5 years

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.

2.8 VALUATION OF INVESTMENTS

Investments in subsidiaries are measured at cost less accumulated impairment.

2.9 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.

2.10 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.

2.11 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.

KM MEDIA GROUP LIMITED

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

2. ACCOUNTING POLICIES (CONTINUED)

2.12 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.

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 Profit and Loss Account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

2.13 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.

2.14 BORROWING COSTS

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

3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements have been made include:

Useful economic life of intangible assets

An estimate is made for the useful economic lives and residual values of intangible assets based on industry knowledge. This is particularly the case for goodwill, less so for radio licences and software. In making this assessment, management have taken into consideration the future project cashflows resulting from ownership of the goodwill purchased.

KM MEDIA GROUP LIMITED

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

4. TURNOVER

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

	2022 £	2021 £
Advertising revenue	6,495,590	5,165,885
Circulation revenue	1,679,395	1,715,409
Miscellaneous revenue	234,992	207,637
	<u>8,409,977</u>	<u>7,088,931</u>

All turnover arose within the United Kingdom.

5. OTHER OPERATING INCOME

	2022 £	2021 £
Government grants receivable	<u>67,580</u>	<u>530,232</u>

6. OPERATING PROFIT/(LOSS)

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

	2022 £	2021 £
Depreciation on tangible fixed assets	88,413	91,262
Amortisation on intangible fixed assets	(119,906)	(122,117)
Vehicle operating lease rentals	14,864	46,052
Property operating lease rentals	<u>175,953</u>	<u>139,961</u>

7. AUDITORS' REMUNERATION

	2022 £	2021 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>9,050</u>	<u>8,445</u>

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

KM MEDIA GROUP LIMITED

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

8. EMPLOYEES

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

	2022 £	2021 £
Wages and salaries	3,806,717	3,958,907
Social security costs	231,928	305,148
Cost of defined contribution scheme	159,375	333,331
	<u>4,198,020</u>	<u>4,597,386</u>

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

	2022 No.	2021 No.
Executive and central services	3	7
Operations	6	7
Commercial	37	34
Editorial	58	64
Marketing and newspaper sales	8	8
	<u>112</u>	<u>120</u>

9. DIRECTORS' REMUNERATION

	2022 £	2021 £
Directors' emoluments	169,077	186,903
Company contributions to defined contribution pension schemes	5,678	5,545
	<u>174,755</u>	<u>192,448</u>

During the year retirement benefits were accruing to 2 directors (2021 - 2) in respect of defined contribution pension schemes.

10. INTEREST PAYABLE AND SIMILAR EXPENSES

	2022 £	2021 £
Bank interest payable	<u>3</u>	<u>-</u>

KM MEDIA GROUP LIMITED

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

11. TAXATION**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is lower than (2021 - lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Profit/(loss) on ordinary activities before tax	666,490	(323,004)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	126,633	(61,371)
EFFECTS OF:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1,324	(14,224)
Capital allowances for year in excess of depreciation	(16,464)	(13,332)
Deferred tax asset not recognised	4,585	88,927
Utilisation of tax losses	(116,078)	-
TOTAL TAX CHARGE FOR THE YEAR	-	-

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

The Company has tax losses of £8,288,231 (2021 - £8,899,167) carried forward which can be used to offset future trading profits.

KM MEDIA GROUP LIMITED

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

12. INTANGIBLE ASSETS

	Radio licences £	Computer software £	Goodwill £	Total £
COST				
At 1 April 2021	200,000	221,849	1,052,981	1,474,830
At 31 March 2022	200,000	221,849	1,052,981	1,474,830
AMORTISATION				
At 1 April 2021	62,656	208,807	589,675	861,138
Charge for the year on owned assets	7,996	6,610	105,300	119,906
At 31 March 2022	70,652	215,417	694,975	981,044
NET BOOK VALUE				
At 31 March 2022	129,348	6,432	358,006	493,786
At 31 March 2021	137,344	13,042	463,306	613,692

KM MEDIA GROUP LIMITED

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

13. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Total £
Cost				
At 1 April 2021	1,062,500	44,472	1,609,680	2,716,652
Additions	-	-	48,886	48,886
At 31 March 2022	1,062,500	44,472	1,658,566	2,765,538
DEPRECIATION				
At 1 April 2021	60,208	44,218	1,367,297	1,471,723
Charge for the year on owned assets	21,250	152	65,277	86,679
At 31 March 2022	81,458	44,370	1,432,574	1,558,402
NET BOOK VALUE				
At 31 March 2022	981,042	102	225,992	1,207,136
At 31 March 2021	1,002,292	254	242,383	1,244,929

KM MEDIA GROUP LIMITED

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

14. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £
COST OR VALUATION	
At 1 April 2021	2
At 31 March 2022	<u>2</u>

SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding
KM Direct Limited	Ordinary	100%
Kent On Line Limited	Ordinary	100%

The aggregate of the share capital and reserves as at 31 March 2022 and the profit or loss for the year ended on that date for the subsidiary undertakings was as follows:

Name	Aggregate of share capital and reserves £
KM Direct Limited	1
Kent On Line Limited	1

KM MEDIA GROUP LIMITED

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

15. DEBTORS

	2022 £	2021 £
Trade debtors	286,824	282,496
Amounts owed by group undertakings	1,244,871	166,379
Amounts owed by joint ventures and associated undertakings	284	-
Other debtors	38,109	104,724
Prepayments and accrued income	124,417	95,631
	<u>1,694,505</u>	<u>649,230</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade creditors	333,219	321,042
Amounts owed to group undertakings	3,425,930	3,092,965
Other taxation and social security	58,868	138,800
Other creditors	105,352	102,204
Accruals and deferred income	241,416	290,332
Bank overdrafts	-	3,401
	<u>4,164,785</u>	<u>3,948,744</u>

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. Contributions totalling £24,321 (2021 - £24,196) were payable to the fund at the balance sheet date and are included in creditors.

17. SHARE CAPITAL

	2022 £	2021 £
ALLOTTED, CALLED UP AND FULLY PAID		
1 (2021 - 1) Ordinary share of £1.00	<u>1</u>	<u>1</u>

18. RESERVES**Profit and loss account**

The profit and loss reserve includes all current and prior period retained profits and losses.

KM MEDIA GROUP LIMITED

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

19. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
LAND AND BUILDINGS		
Not later than 1 year	42,824	75,439
Later than 1 year and not later than 5 years	65,921	99,133
	<u>108,745</u>	<u>174,572</u>
	2022 £	2021 £
OTHER		
Not later than 1 year	50,946	56,334
Later than 1 year and not later than 5 years	32,766	84,134
	<u>83,712</u>	<u>140,468</u>

20. RELATED PARTY TRANSACTIONS

The parent Company, Iliffe Media Group Limited, prepares consolidated group accounts and accordingly, the Company has taken advantage of the exemptions contained within FRS 102 paragraph 33.1A not to disclose transactions with group undertakings.

21. CONTROLLING PARTY

The immediate and ultimate parent undertaking is Iliffe Media Group Limited, a Company incorporated in England and Wales, which holds 100% of the Company's issued share capital.

The Company is exempt from preparing consolidated financial statements on the grounds that it is a wholly owned subsidiary of Iliffe Media Group Limited, which itself prepared consolidated financial statements. The financial statements therefore present information about the Company as an individual undertaking and not about its group.