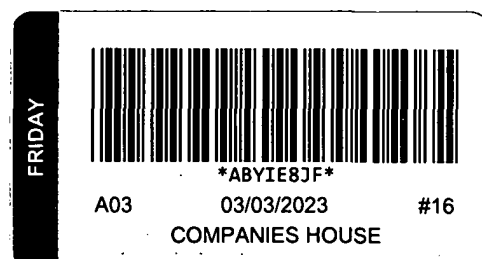


GB NEWS LIMITED
Companies House Registration No 12859339
Audited Financial Statements

**For the Year Ended
31 May 2022**



GB NEWS LIMITED

COMPANY INFORMATION

Directors A Frangopoulos (appointed 12 October 2021)
M Schipper (appointed 12 October 2021)

Company Secretary FieldFisher LLP

Registered Number 12859339

Registered Office Riverbank House
2 Swan Lane
London EC4R 3TT

Independent Auditor Buzzacott LLP
130 Wood Street
London EC2V 6DL

GB NEWS LIMITED

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GB NEWS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MAY 2022

Principal Activities

The Company's principal activity is the delivery of news and current affairs programming for the UK market under the "GB News" brand. The GB News service is available to the British public across multiple platforms, including linear television (more than 96% of UK television households have access to free-to-air) and digital radio (GB News Radio was launched on DAB+ nationally in January 2022).

GB News distributes its continuous live feed, a catch-up service, and additional content to worldwide audiences via its in-house digital properties (www.gbnews.uk and free App available on all major digital platforms). Selected output is also posted on social media (e.g. YouTube – including a continuous live feed – as well as Facebook, Twitter, Instagram, and TikTok).

GB News produces ~6,500 hours a year of original programming (18 hours a day) for its live broadcast stream and significant amounts of additional content and media offerings (e.g. clips, news articles, podcasts, etc). GB News holds Ofcom broadcast licences for both its television and radio output, and as such is fully compliant with all Ofcom regulations and guidelines.

The Company's aim is to champion robust, balanced debate and to provide a range of perspectives on the issues that affect everyone in the UK. Its team of regional reporters are deployed across England, Scotland, Wales, and Northern Ireland, ensuring that local opinions and exclusive stories from these areas appear daily on the channel.

Hosts of shows on the channel come from a range of backgrounds and, where a viewpoint is stated, a broad church of opinion, faith, and politics. Presenters include Eamonn Holmes, Isabel Webster, Stephen Dixon, Anne Diamond, Bev Turner, Mark Longhurst, Patrick Christys, Michelle Dewberry, Nigel Farage, Mark Steyn, Dan Wootton, Alastair Stewart, Mark Dolan, Andrew Doyle, Arlene Foster, Nana Akua, Esther McVey, Philip Davies, and Neil Oliver.

Central to GB News is its Editorial Charter which enshrines the Company's mission to provide balanced and fair coverage, ensuring that its journalism is accurate, and conversations are insightful, respectful and set an example by treating others the way they would expect to be treated.

Business Review

The channel launched on 13 June 2021 and launched GB News Radio on DAB+ on 4 January 2022. GB News Radio reached 239,000 listeners a week in its first three months on air, the next quarter this grew to 277,000, while the most recent number for the third quarter of 2022 was 415,000 making it the fastest-growing radio station in the UK market. GB News radio has opened up a new platform within the GB News multi-channel offering of television, digital and radio platforms, increasing the channel's reach across new audiences.

Audience across television, digital and radio platforms has been growing steadily since launch with management addressing and adapting to the inevitable challenges faced by the Group as a start-up challenger in a well-established market and new talent was added to its line-up of presenters.

In August 2022 the Company secured a commitment for a new £60 million capital injection to accelerate its growth, innovation, and investment in British journalism from its existing backers Legatum Ventures Limited and Sir Paul Marshall. This renewed investment in the Company gives GB News the financial capability to build for the long term in what is a hugely competitive market.

GB NEWS LIMITED

Increased investments will be made in journalistic talent, a new digital product suite, upgrading technology and the studio, and investing in additional distribution platforms.

The Company has also won a competitive processes to move from Virgin Media channel 626 to the more prominent 604 position.

Principal Risks and Uncertainties

Foreign Currency, Credit Risk, Liquidity Risk and Interest Rate Risk

The Company is not exposed to any foreign currency, credit, liquidity or interest rate risks.

Financial Key Performance Indicators

The Company uses a range of performance measures to monitor and manage the business. Those that are particularly important in monitoring progress are considered key performance indicators (KPIs). The Company's KPIs measure past performance and also provide information and context to anticipate events and, in conjunction with detailed knowledge and experience of operational segments, allows the Company to effectively manage the business going forward.

The following table sets out the Company's key financial performance indicators which are continually measured and monitored by the business.

	Year Ended 31 May 2022 £	Period Ended 31 May 2021 £
Turnover	3,642,277	-
Gross Profit / (Loss)	(21,766,405)	(1,577,025)
EBITDA	(28,703,528)	(2,862,965)

The Company uses BARB and RAJAR audience figures to gauge the Channel's performance on television and radio, helping to guide editorial and investment decisions. The tables below set out the key data used for these purposes.

BARB Viewing Figures:

	Year Ended 31 May 2022
Figures since TV launch on 13 June 2021	
Average monthly reach (3 min continuous view)	2,318,220
Average Linear Share	0.30

RAJAR Audience Share:

	Q1 31 Mar 2022	Q2 30 Jun 2022	
Figures since radio launch on 4 January 2022			
RAJAR Weekly Reach (per Qtr)	239k	277k	16% increase Qtr on Qtr
RAJAR Weekly Audience Share (per Qtr)	0.43%	0.49%	

GB NEWS LIMITED

The Company's Directors are satisfied with the results for the year and expect growth in the future performance of the Company. In the year ended 31 May 2022, the Company reported a loss of £30.68M (31 May 2021 loss of £2.97M).

Directors' Statement of Compliance with Duty to Promote the Success of the Company

In decisions taken during the year ended 31 May 2022 the Directors have acted in good faith and in a way that they consider is most likely to ensure and promote the future success of the Company. In decision-making concerning the business, the Directors ensure they consider a wide variety of matters including but not limited to the interests of various stakeholders, the consequences of their decisions in the short and long-term, and the enduring reputation of the Company.

Relationships with stakeholders are based on continuing dialogue as well as on maintaining collaborative relationships and establishing strategic, longer-term partnerships that ensure the Company makes continued progress on key issues.

Engagement with Employees

The Company recognises that recruiting and retaining talented, capable and professional employees is critical to all aspects of the business and that success is delivered through the alignment of employees' skills and expertise to the business's strategy. To support this, the Company sets competitive remuneration levels, engages in open and honest communication with staff, encourages employees to take ownership and responsibility within a supportive and constructive environment, and ensures employees receive training and development opportunities to help them grow with the Company. Formal and informal feedback is sought regularly from every level of the organisation and such feedback is fully considered by the senior leadership team.

GB News is an equal opportunities employer and as such commits itself and its team to promoting diversity and inclusion in the workplace. We are proud to have a diverse staff from a wide range of backgrounds, regional areas of the UK, and other countries.

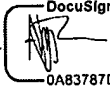
Engagement with Suppliers, Customers and Others

The Company is committed to acting responsibly towards all its stakeholders and works to establish close working partnerships with all suppliers, customers, and other stakeholders. We expect the same code of conduct, professionalism, and ethical engagement from our suppliers as we expect of ourselves.

Future Development

Looking ahead, the Company is focussed on audience growth and a continuing commitment to high quality, independent journalism for all communities within the United Kingdom. The Directors are confident about the future outlook for the Company.

Approved by the Board and signed on its behalf by

DocuSigned by: Angelos Frangopoulos

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Director

Date: 12th January 2023

GB NEWS LIMITED

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

The Directors present their annual report together with the audited financial statements of GB News Limited ('the Company') for the financial year ended 31 May 2022.

Incorporation

The Company was incorporated in England and Wales on 4 September 2020.

Principal Activities

The principal activity of the Company during the year was television programming and broadcasting.

Parent Company

The Company is a wholly owned subsidiary of All Perspectives Ltd, a company incorporated in England and Wales on 25 September 2019. All Perspectives Ltd provides all capital funding for the Company and has confirmed its ongoing commitment to fund the future operations of the Company.

Directors

The Directors who held office during the period of this report are:

A Frangopoulos (appointed 12 October 2021)

M Schipper (appointed 12 October 2021)

A Cole (resigned 12 October 2021)

M Schneider (resigned 21 August 2022)

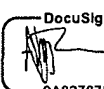
Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Buzzacott LLP will therefore continue in office.

Disclosure of Information to Auditor

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all steps necessary to make themselves aware of any relevant information and to establish that the Company's auditor is aware of that information.

On behalf of the Board

DocuSigned by: Angelos Frangopoulos

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Director

Date: 12th January 2023

GB NEWS LIMITED

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2022**

The Directors are responsible for preparing the Directors' Report and 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 they have elected to prepare these financial statements in accordance with applicable law and UK-adopted international accounting standards. 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 for that period.

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

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Directors confirm that they have complied with the above requirements when preparing the financial statements.

Buzzacott

Independent auditor's report to the members of GB News Limited for the year ended 31 May 2022

Opinion

We have audited the financial statements of GB News Limited for the year ended 31 May 2022, which comprise the Statement of Profit and Loss, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the Notes to the Financial Statements. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards (UK-Adopted IAS).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 May 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with UK-adopted IAS; 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 Auditor's 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 UK, including the FRC'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

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.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

Buzzacott

Independent auditor's report to the members of GB News Limited (continued) for the year ended 31 May 2022

Other information (continued)

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.

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 period 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 and the Directors' report.

We have nothing to report in respect of the following matters where 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;
- the financial statements are not in agreement with the accounting records or returns;
- 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, 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.

Buzzacott

Independent auditor's report to the members of GB News Limited (continued) for the year ended 31 May 2022

Auditor's responsibilities for the audit of 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 auditor's 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.

How the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the Senior Statutory Auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Company through discussions with directors and other management, and from our commercial knowledge and experience of Media production companies;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal expenditure; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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.

Buzzacott

Independent auditor's report to the members of GB News Limited (continued) for the year ended 31 May 2022

Auditor's responsibilities for the audit of financial statements (continued)

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- identified and assessed the design effectiveness of controls management has in place to prevent and detect fraud;
- determined the susceptibility of the Company to management override of controls by checking the implementation of controls and enquiring of individuals involved in the financial reporting process;
- reviewed journal entries throughout the year to identify unusual transaction;
- utilised random sampling within substantive testing;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias and challenged these assumptions;
- investigated the rationale behind significant or unusual transactions;
- carried out substantive testing, including random samples, to check the occurrence and cut-off of expenditure; and
- reconciled revenue to revenue agency agreements, invoices and bank statements.

In response to the risk of irregularities 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;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

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.

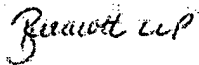
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Buzzacott

Independent auditor's report to the members of GB News Limited (continued) for the year ended 31 May 2022

Use of this 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 that we are required to state to them in an auditor's 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, or the opinions we have formed.



Simon Wax (Senior Statutory Auditor)

for and on behalf of

Buzzacott LLP

Statutory Auditor

130 Wood Street

London

EC2V 6DL

Date: 18 January 2023

GB NEWS LIMITED

**STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31 MAY 2022**

		Year Ended 31 May 2022 £	Period Ended 31 May 2021 £
	Note		
Revenue	6	3,642,277	
Cost of Sales		(25,408,682)	(1,577,025)
Gross Loss		<u>(21,766,405)</u>	<u>(1,577,025)</u>
Operating Expenses		(8,911,976)	(1,397,252)
Operating Loss		(30,678,381)	(2,974,277)
Interest Expense	9	(5,293)	(248)
Loss Before Tax		(30,683,674)	(2,974,525)
Taxation	7		
Loss after Tax		<u>(30,683,674)</u>	<u>(2,974,525)</u>

All amounts relate to continuing operations.

There was no other comprehensive income for the year ended 31 May 2022 (31 May 2021 £Nil).

GB NEWS LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 31 MAY 2022

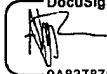
	Note	As at 31 May 2022 £	As at 31 May 2021 £
Non-Current Assets			
Property, Plant and Equipment	8	7,236,977	4,648,593
Right-of-Use Asset	9	2,176,720	2,176,720
Accumulated Depreciation	8, 9	(1,757,310)	(88,160)
Intangible Assets	10	877,819	658,026
Amortisation	10	(328,854)	(23,151)
		8,205,352	7,372,028
Current Assets			
Cash and Cash Equivalents	11	1,374,483	1,267,579
Trade and Other Receivables	12	3,500,693	1,970,914
Stock		18,758	-
Current Liabilities			
Accruals		(416,162)	(213,170)
Creditors: Amounts falling due within one year	13	(44,503,268)	(11,235,652)
Lease Liabilities	9	(289,373)	(298,168)
Net Current Assets (Liabilities)		(40,314,869)	(8,508,497)
Total Assets Less Current Liabilities		(32,109,517)	(1,136,469)
Non-Current Liabilities			
Lease Liabilities	9	(1,548,681)	(1,838,055)
Net Assets		(33,658,198)	(2,974,524)
Capital and Reserves			
Called up Share Capital	14	1	1
Profit and Loss Account		(33,658,199)	(2,974,525)
		(33,658,198)	(2,974,524)

The financial statements have been prepared and delivered in accordance with UK-adopted international accounting standards.

The directors acknowledge their responsibilities for complying with UK-adopted international accounting standards requirements with respect to accounting records and the preparation of accounts.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 12th January 2023.

DocuSigned by: Angelos Frangopoulos



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Director

The Company is a wholly owned subsidiary of All Perspectives Ltd, which provides all capital funding for the operations of the Company.

The notes on pages 17 – 28 form part of these financial statements.

GB NEWS LIMITED

STATEMENT OF CHANGES IN EQUITY
AS AT 31 MAY 2022

	Share Capital £	Retained Earnings £	Total Equity £
Balance at 1 June 2021	1	(2,974,525)	(2,974,524)
Issue of Share Capital	-	-	-
Loss for the year	-	(30,683,674)	(30,683,674)
Balance at 31 May 2022	1	(33,658,199)	(33,658,198)

	Share Capital £	Retained Earnings £	Total Equity £
Balance at 4 September 2020	-	-	-
Issue of Share Capital	1	-	1
Loss for the period	-	(2,974,525)	(2,974,525)
Balance at 31 May 2021	1	(2,974,525)	(2,974,524)

GB NEWS LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MAY 2022

			Year Ended 31 May 2022	Period Ended 31 May 2021
	Note		£	£
Net Income				
		Net Income	(30,683,674)	(2,974,525)
Total Net Income			<u>(30,683,674)</u>	<u>(2,974,525)</u>
Operating Activities				
		Accumulated Depreciation	8, 9 1,669,150	88,160
		Amortisation of Intangible Fixed Assets	10 305,703	23,151
		Trade and Other Receivables	12 (1,529,779)	(1,970,914)
		Stock	(18,758)	-
		Trade Creditors	13 (221,486)	1,094,260
		Other Creditors	13 33,489,103	10,141,392
		Lease Liability - Current	9 (8,795)	298,168
		Accruals	202,992	213,170
Total Operating Activities			<u>33,888,130</u>	<u>9,887,387</u>
Net Cash			<u>3,204,456</u>	<u>6,912,862</u>
Investing Activities				
		Property, Plant and Equipment	8 (2,588,384)	(4,648,593)
		Right-of-Use Asset	9 -	(2,176,720)
		Intangible Fixed Assets	10 (219,793)	(658,026)
Total Investing Activities			<u>(2,808,177)</u>	<u>(7,483,339)</u>
Financing Activities				
		Lease Liability - Non-Current	9 (289,375)	1,838,055
		Ordinary Share Capital	14 -	1
Total Financing Activities			<u>(289,375)</u>	<u>1,838,056</u>
Net Cash Total			<u>106,904</u>	<u>1,267,579</u>
Cash at Start of Period			1,267,579	-
Total Cash at Start of Period			<u>1,267,579</u>	<u>-</u>
Cash at End of Period			<u>1,374,483</u>	<u>1,267,579</u>

GB NEWS LIMITED

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

1. General Information

The principal activity of the Company is that of television programming and broadcasting activities.

GB News Limited is a private Company limited by shares, incorporated and domiciled in England and Wales, registration number 12859339. The address of the registered office is Riverbank House, 2 Swan Lane, London EC4R 3TT. The Company's principal place of business is The Point, 37 North Wharf Road, London, W2 1AF.

2. Accounting Policies

2.1 Basis of Preparation of Financial Statements

The financial statements have been prepared in accordance with applicable law and UK-adopted international accounting standards.

The financial statements have been prepared on a historical cost basis unless otherwise specified within these accounting policies and are presented in Sterling (the functional currency) and rounded to the nearest £.

Transactions in a currency other than the functional currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Currency gains and losses resulting from the settlement of such transactions are recognised in the income statement.

The preparation of financial statements in compliance with UK-adopted international accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies.

The following principal accounting policies have been applied:

2.2 Going Concern

The level of the Company's activities is dependent upon the contributions received from its parent company, All Perspectives Ltd. The Company has strong support from its investors and the Directors have no reason to believe that the level of these contributions might vary to a significant degree or be recalled before the Group has the resources to repay the investment. As such, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The parent company has a strong positive net asset position and has confirmed its ongoing commitment to funding the operations of GB News Limited.

The Directors have identified no material uncertainties that may cast significant doubt over the ability of the Company to continue as a going concern and therefore the financial statements are prepared on the going concern basis.

GB NEWS LIMITED

2.3 Property, Plant and Equipment

Property, plant and equipment is measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write down the cost less estimated residual value of all property, plant and equipment, other than freehold land, over their expected useful lives, using the full month straight-line method. The rates applicable are:

	Term of the lease
- Leasehold Improvements	5 years
- Furniture and Fittings	5 years
- Production Hardware Fixed Location	5 years
- Production Hardware on the Road	3 years
- Computer and Telecoms Equipment	3 years
- Other Assets	3 years

2.4 Impairment of Assets

At each reporting date, fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

2.5 Intangible Assets

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight-line method. The intangible assets are amortised over the estimated life of the asset.

If there is an indication that there has been a significant change in amortisation rate or residual value of an asset, the amortisation of that asset is revised prospectively to reflect the new expectation.

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.7 Creditors

Short term trade creditors are measured at the transaction price.

2.8 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the company.

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All other leases are classified as operating leases. Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Leased Assets:

Rentals payable under the property lease are recorded in line with IFRS 16 Leases.

A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

To apply this definition the Company assesses whether the contract meets three key evaluations which are whether:

- The contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company.
- The Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract.
- The Company has the right to direct the use of the identified asset throughout the period of use. The Company assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Company also assesses the right-of-use asset for impairment when such indicators exist. At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

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On the statement of financial position, right-of-use assets and lease liabilities have been included as separate line items.

2.9 Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with IAS12.

2.10 Taxation

Tax expense comprises current and deferred tax and is recognisable in profit or loss.

Current Tax:

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only if certain criteria are met.

Deferred Tax:

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent it is probable that future taxable profits will be available against which they can be used. Deferred tax assets and liabilities are offset only if certain criteria are met.

2.11 Cash and Cash Equivalents

Cash and cash equivalents comprise bank balances, cash on hand, deposits held at call with banks and other short-term highly liquid investments.

2.12 Revenue Recognition

Revenue is measured in accordance with IFRS 15 and as such is recognised on the satisfaction of performance obligations, which occur when control is transferred to the customer at a 'point in time' or 'over time' as control of the performance obligation is passed to the customer. Revenue is measured at the fair value of the consideration received or receivable as specified in the relevant contract, representing amounts receivable as provided in the normal course of business, net of discounts, VAT and other sales related taxes.

Content Sales:

The Company's license fee revenue is on a right to use license basis and as such is recognised at a 'point in time', recorded on an accruals basis in accordance with the substance of the relevant agreement (provided it is probable that the economic benefits will flow to the Company and the amount of revenue can be reliably measured).

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Advertising Revenue:

Advertising revenue is recognised on transmission or publication of the advertisement. The performance obligation is satisfied at the 'point in time' when the advertisement occurs. The payment terms are over the term of the contract and are recorded on an accruals basis.

Merchandise Sales:

Revenue generated from the sale of Company merchandise is recognised at the time of delivery. Revenue from the sale of merchandise is stated net of deductions for actual and expected returns based on management judgement. The performance obligation is delivery of the products, and therefore income is recognised at a 'point in time'.

2.13 Critical Accounting Judgement and Key Sources of Estimation Uncertainty

The Directors are of the opinion that there are no critical accounting judgements or key sources of estimation uncertainty.

2.14 Adoption of New and Revised Standards

In the current year, the following amendments have been made to IFRS Standards and Interpretations issued by the International Accounting Standards Board that are effective for an annual year that begins on or after 1 April 2021.

Amendments to IFRS 16 – Covid-19-Related Rent Concessions

Amendments to IFRS 3 – Definition of a Business

Amendments to IAS 1 and IAS 8 – Definition of Material

Amendments to IFRS 9, IAS 39 and IFRS 7, IFRS 4 and IFRS 16 – Interest Rate Benchmark Reform

Amendments to IAS 16 Property, Plant and Equipment – proceeds before intended use

Amendments to IAS 37 Onerous Contracts – Cost of fulfilling a contract

These amendments have had no material impact on the disclosures or on the amounts reported in these financial statements.

Certain new accounting standards and interpretations have been published that are not yet effective and have not been early adopted by the Company. These standards are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

3. Auditor's Remuneration

The fees payable to the Company's auditor in respect of the audit of the Company's annual accounts for the year ended 31 May 2022 are £17,500 (31 May 2021 £7,500). There were no other services provided by the Company's auditor during this period.

4. Employees

The average monthly number of employees, including directors, during the year was 175 (31 May 2021 16). These staff were classed as Management and Operational personnel.

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	31 May 2022 £	31 May 2021 £
Wages and salaries	11,036,002	821,220
Social security costs	1,422,126	97,284
Other pension costs	258,806	-
	<u>12,716,934</u>	<u>918,504</u>

5. Directors' Remuneration

During the year ending 31 May 2022, the Company made no remuneration payments to the Directors (31 May 2021 £Nil).

6. Revenue

	31 May 2022 £	31 May 2021 £
Continuing Operations		
Advertising revenue	2,970,812	-
Digital revenue	564,024	-
Sponsorship revenue	105,664	-
Other revenue	1,777	-
Total Revenue	<u>3,642,277</u>	<u>-</u>

The Company's revenue by geographical market is detailed below.

	31 May 2022 £	31 May 2021 £
Revenue:		
United Kingdom	3,182,367	-
Rest of World	459,910	-
	<u>3,642,277</u>	<u>-</u>

7. Taxation

	31 May 2022 £	31 May 2021 £
(Loss) before tax	(30,683,674)	(2,974,525)
Corporation tax	-	-
Tax charge for the year	<u>-</u>	<u>-</u>

Corporation tax in the UK is calculated at 19% (31 May 2021: 19%) of the estimated taxable profit for the year.

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	31 May 2022 £	31 May 2021 £
(Loss) before tax	(30,683,674)	(2,974,525)
Tax at the UK corporation tax rate of 19% (prior period 19%)	(5,829,898)	(565,160)
Tax losses not recognised for deferred tax	5,829,898	565,160
Tax charge for the year	-	-

Factors that may affect future tax charges

On 10 June 2021, the Finance Bill 2021 received Royal Assent. The Bill confirms an increase in the corporation tax rate from 1 April 2023. From this date, the rate will taper from 19% for businesses with profits of less than £50,000 and 25% for businesses with profits over £250,000.

8. Property, Plant and Equipment

	Computer and Telecoms Equipment £	Production Hardware Fixed Location £	Production Hardware On the Road £	Leasehold Improvements £	Furniture and Fittings £	Other Assets £	Assets Under Construction £	Total £
Cost								
Balance at 4 September 2020	-	-	-	-	-	-	-	-
Additions	332,309	2,313,238	-	-	28,102	-	1,974,944	4,648,593
Balance at 31 May 2021	332,309	2,313,238	-	-	28,102	-	1,974,944	4,648,593
Balance at 1 June 2021	332,309	2,313,238	-	-	28,102	-	1,974,944	4,648,593
Additions	422,229	1,339,003	8,171	811,492	17,393	5,679	-	2,603,968
Reclassification	-	-	641,297	1,333,647	-	-	(1,974,944)	-
Disposals	(15,584)	-	-	-	-	-	-	(15,584)
Balance at 31 May 2022	738,954	3,652,241	649,468	2,145,140	45,495	5,679	-	7,236,977
Accumulated Depreciation and Impairment Losses								
Balance at 4 September 2020	-	-	-	-	-	-	-	-
Charge for the period	9,677	35,325	-	-	220	-	-	45,222
Balance at 31 May 2021	9,677	35,325	-	-	220	-	-	45,222
Balance at 1 June 2021	9,677	35,325	-	-	220	-	-	45,222
Charge for the period	175,211	650,737	215,001	305,093	7,055	1,420	-	1,354,517
Eliminated on disposal	(5,215)	-	-	-	-	-	-	(5,215)
Balance at 31 May 2022	179,673	686,062	215,001	305,093	7,275	1,420	-	1,394,524
Net book amount at 31 May 2022	559,281	2,966,180	434,467	1,840,046	38,220	4,259	-	5,842,453
Net book amount at 1 June 2021	322,632	2,277,913	-	-	27,882	-	1,974,944	4,603,371

Assets under construction of £1,974,944 were brought into use during the year ended 31 May 2022. These are leasehold improvements (£1,333,647) relating to office and studio fit-out, and on the road production hardware (£641,297).

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9. Right-of-Use Assets

Right-of-use assets relate to leased property.

	Total £
At 1 June 2021	2,133,782
Additions to right-of-use assets	
Depreciation charge for the period	(319,848)
At 31 May 2022	1,813,934
At 4 September 2020	-
Additions to right-of-use assets	2,176,720
Depreciation charge for the period	(42,938)
At 31 May 2021	2,133,782

Lease Liabilities**Maturity Analysis**

	31 May 2022 £	31 May 2021 £
Less than one year	289,373	298,168
One to five years	1,390,223	1,679,597
More than five years	158,458	158,458
Total discounted lease liabilities at 31 May	1,838,054	2,136,223

Lease liabilities included in the statement of financial position at 31 May 2021

	1,838,054	2,136,223
Current	289,373	298,168
Non-current	1,548,681	1,838,055

Amounts recognised in profit or loss

	31 May 2022 £	31 May 2021 £
Interest on lease liabilities	5,293	248

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10. Intangible Fixed Assets

	Software development costs £
Cost	
Balance at 4 September 2020	-
Additions	658,026
Balance at 31 May 2021	658,026
Balance at 1 June 2021	658,026
Additions	219,793
Balance at 31 May 2022	877,819
Accumulated amortisation	
Balance at 4 September 2020	-
Charge for the period	23,151
Balance at 31 May 2021	23,151
Balance at 1 June 2021	23,151
Charge for the period	305,703
Balance at 31 May 2022	328,854
Net book amount at 31 May 2022	548,965
Net book amount at 1 June 2021	634,875

Amortisation of intangible assets is included in operating expenses.

11. Cash and Cash Equivalents

	31 May 2022 £	31 May 2021 £
Bank Balances	1,374,483	1,267,579
	<u>1,374,483</u>	<u>1,267,579</u>

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12. Trade and Other Receivables

	31 May 2022	31 May 2021
	£	£
Trade Receivables	675,348	-
Prepayments	1,515,821	1,048,471
Payroll Control Account	6,997	260
VAT Control Account	913,583	848,885
Other Debtors	388,944	73,298
	<u>3,500,693</u>	<u>1,970,914</u>

13. Creditors: Amounts falling due within one year

	31 May 2022	31 May 2021
	£	£
Intercompany Creditor	42,820,912	9,922,748
PAYE / NI Payable	711,068	209,177
Pension Creditor	79,228	-
Trade Creditors	872,774	1,094,260
Other Creditors	19,286	9,467
	<u>44,503,268</u>	<u>11,235,652</u>

14. Share Capital

	No. of Shares	Amount
	Ordinary	Ordinary
	Share Capital	Share Capital
		£
Balance at 1 June 2021	<u>1</u>	<u>1</u>
Proceeds from share issues	-	-
Balance at 31 May 2022	<u>1</u>	<u>1</u>
Balance at 4 September 2020	-	-
Proceeds from share issues	1	1
Balance at 31 May 2021	<u>1</u>	<u>1</u>

At 31 May 2022 the total authorised number of ordinary shares is 1 with a par value of £1.
All issued shares are fully paid.

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15. Operating Loss

During the year ended 31 May 2022 the Company recorded an operating loss of £(30,678,381) (31 May 2021 £(2,974,277)).

	31 May 2022 £	31 May 2021 £
Balance at start of period	(2,974,277)	-
Loss for the period	(30,678,381)	(2,974,277)
Balance at end of period	(33,652,658)	(2,974,277)

16. Pension Commitments

The Company operates a defined contribution retirement benefit plan for all qualifying employees. The assets of the plan are held in funds separately from those of the Company.

Employer and employee contributions include contributions made in respect of the relief at source arrangements made for and by qualifying employees. Normal contributions are set at 3% employer and 5% employee.

	31 May 2022 £	31 May 2021 £
Employer Contributions	258,806	-
Employee Contributions - Normal	401,528	-
	660,334	-

At 31 May 2022, contributions of £79,197 (31 May 2021 £Nil) had not been paid over to the plan, which was live from 1 June 2021. At 31 May 2021 the defined contribution plan was not yet live and all qualifying employees had been postponed.

17. Capital Commitments

Significant capital expenditure contracted for at the balance sheet date but not recognised in the financial statements were as follows:

	31 May 2022 £	31 May 2021 £
Tangible Fixed Assets	26,741	744,322
Intangible Assets	-	75,107
	26,741	819,429

18. Related Party Transactions

At 31 May 2022 the Company had a balance due to its parent company, All Perspectives Ltd of £42,820,912 in respect of operational funding provided by the parent company (31 May

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2021 £9,922,748). The parent company has a strong positive net asset position and has confirmed its ongoing commitment to funding the operations of GB News Limited.

19. Ultimate Controlling Parties

In the opinion of the Directors, there is no ultimate controlling party.