

Registration number: 1163844

DMGI Land & Property Europe Ltd

Annual Report and Financial Statements

for the Year Ended 30 September 2019



DMGI Land & Property Europe Ltd

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DMGI Land & Property Europe Ltd

Company Information

| | |
|-----------------------------|---|
| Directors | P Zwillenberg S Stout S Brown M Johnston |
| Company secretary | M Teague |
| Registered office | 5-7 Abbey Court Eagle Way Sowton Industrial Estate Exeter EX2 7HY |
| Independent auditors | PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 2 Glass Wharf Bristol BS2 0FR |

DMGI Land & Property Europe Ltd

Strategic Report for the Year Ended 30 September 2019

The directors present their strategic report for the year ended 30 September 2019.

Introduction and strategy

DMGI Land & Property Europe Ltd is a holding company for certain business information activities of the Daily Mail and General Trust plc (DMGT) Group. These activities are an integral part of the group strategy and this is not expected to change in the foreseeable future.

Operating and business review

The company has an operating loss of £298,457 (2018: £Nil). The Income Statement shows a profit before taxation of £18,395,481 (2018: loss £182,148). The company does not trade, the profit for the current year is primarily due to the dividends received of £17,823,981 (2018: £Nil), proceeds from the sale of unlisted investment of £889,592 (2018: £Nil) and an intercompany loan being discharged upon disposal of this group undertaking of £107,371 (2018: £Nil). The net assets of the company are £215,384,033 (2018: £196,978,733).

On 24th July 2019, the Company acquired Landmark Optimus Limited for £17,310,812. Also during the year, the investment in Rochford Brady Legal Services Limited was transferred at the carrying amount of £3,779,302 to the Company from another group company. In the prior year, DMGI Land & Property Europe Ltd indirectly held 100% of the ownership interest and voting rights in this investment.

Key performance indicators

The company is a wholly owned subsidiary of DMGT and operates as part of the group's business-to-business information division.

The DMGT Group manages its operations on a divisional basis. For this reason the company's directors believe that further key performance indicators for the company are not necessary or appropriate for an understanding of the development, performance or position of the business. The performance of the Property Information division, which includes DMGI Land & Property Europe Ltd, is discussed in the group's Annual Report which does not form part of this report.

Principal risks and uncertainties

The company's activity as a holding company exposes it to a number of financial risks, the most significant of which is the possible impairment in the carrying value of its investments. These carrying values are reviewed by management every six months and are compared to future discounted cash flows from the various business units. Credit risk, cash flow risk and liquidity risk do not present significant issues as the company does not trade or have meaningful cash flow and movements in its intercompany balances are usually offset between group companies.

DMGI Land & Property Europe Ltd

Strategic Report for the Year Ended 30 September 2019

Business continuity

The Company faces business continuity risk associated with an event such as a pandemic, epidemic, natural or man-made disaster. Despite the seamless transition to remote working as an immediate response to the COVID-19 pandemic, the event may have an extended effect. The safety of employees on their commute, as well as in the workplace, is a priority and containment measures to control the pandemic are likely to continue to affect working practices for an extended period of time.

The Company's subsidiaries have implemented a number of operational actions designed to preserve liquidity and reduce costs in response to COVID-19 including a salary substitution plan, although the Group have not taken any government financial support and no employees have been furloughed. Each business has individual contingency plans in place, encompassing operational and strategic measures, which will be deployed in reaction to the evolving circumstances.

Going concern

The directors have considered the ability of the Company to continue in operational existence for the foreseeable future as well as the relevant business and financial risks. In doing this, they have considered the Company's business activities, together with the factors likely to affect its future development, performance and position.

As part of their assessment of the impact of the COVID-19, the Directors of the Group have obtained new five-year trading forecasts which have been re-modelled to incorporate a pessimistic scenario and a plausible but severe scenario for the period through to 30 September 2021, from its operating subsidiaries together with short term projections from certain associates and financial assets at fair value through other comprehensive income. These forecasts and projections have been used in the assessment of the carrying values of these subsidiaries, associates and financial assets at fair value through other comprehensive income. In addition, the Directors considered the availability of the Group's committed but undrawn bank facilities of £380.0 million which expire in March 2023. In this severe but plausible scenario, the Group did not forecast a draw down on its bank facilities nor does it forecast a breach of its banking covenants.

DMGT has confirmed that it will provide such financial support as might be necessary to ensure that the company is a going concern for at least twelve months from the date of signing of these financial statements.

After making enquiries, the directors therefore have a reasonable expectation that the Company will have access to adequate resources to continue in operational existence for the foreseeable future and have therefore continued to adopt the going concern basis in preparing the financial statements.

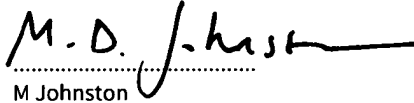
Environmental matters

The Company recognises the importance of its environmental responsibilities, monitors its impact on the environment and designs and implements policies to reduce any damage that might be caused by the Company's activities. As a member of the DMGT Group, the Company operates in accordance with DMGT Group policies, which are described in the DMGT Group Annual Report, which does not form part of this report. Initiatives designed to minimise the Company's net impact on the environment include recycling and reducing energy consumptions.

DMGI Land & Property Europe Ltd

Strategic Report for the Year Ended 30 September 2019

Approved by the Board on 21 September 2020 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'M.D. Johnston', written over a dotted line.

M Johnston

Director

Date: 21 September 2020

DMGI Land & Property Europe Ltd

Directors' Report for the Year Ended 30 September 2019

The directors present their Directors' Report on the affairs of the Company, together with the audited financial statements and Independent Auditors' report for the year ended 30 September 2019.

Directors of the Company

The directors who held office during the year and up to date of signing of the financial statements, unless otherwise stated, were as follows:

M Milner (resigned 5 November 2018)

A Perry (resigned 13 November 2018)

P Zwillenberg

S Stout (appointed 5 November 2018)

S Brown (appointed 5 November 2018)

M Teague (appointed 1 April 2019 and resigned 18 October 2019)

The following director was appointed after the year end:

M Johnston (appointed 18 October 2019)

Dividends

The directors do not recommend the payment of a dividend (2018: £nil).

Financial risk management

Financial risk management details are included within the Strategic Report on pages 2 to 4.

Future developments

The directors expect the general level of activity of the Company to remain consistent with prior years and the Company's principal activities are not expected to change substantially.

As noted in Note 2 Going Concern and Note 14 Non adjusting events after the financial period, the COVID-19 pandemic and measures taken to contain the virus have impacted the Company post year end.

DMGI Land & Property Europe Ltd

Directors' Report for the Year Ended 30 September 2019

Non adjusting events after the financial period

On 5 December 2019, pursuant to a consolidation of the Group's holding structure, the Company's ultimate parent company, Rothermere Continuation Limited (RCL) was acquired by Rothermere Investments Limited (RIL), a company incorporated in Jersey, in the Channel Islands. RIL now holds 100% of DMGT's issued Ordinary Shares. The underlying control of DMGT, however, remains unchanged and continues to lie with a discretionary trust (the Trust) that is held for the benefit of Lord Rothermere and his immediate family. Both RIL and the Trust are administered in Jersey. RIL and its directors, and the Trust are related parties of the Company. RIL has subsequently renamed itself RCL.

On 30 January 2020 the World Health Organisation (WHO) declared a Health Emergency and on 11 March 2020 a Global Pandemic following the outbreak of Coronavirus (COVID-19) the directors have considered this to be a non adjusting post balance sheet event.

As part of their assessment of the impact of the COVID-19, the Directors of the Group have obtained new five-year trading forecasts which have been re-modelled to incorporate a pessimistic scenario and a plausible but severe scenario for the period through to 30 September 2021, from its operating subsidiaries together with short term projections from certain associates and financial assets at fair value through other comprehensive income. These forecasts and projections have been used in the assessment of the carrying values of these subsidiaries, associates and financial assets at fair value through other comprehensive income. In addition, the Directors considered the availability of the Group's committed but undrawn bank facilities of £380.0 million which expire in March 2023. In this severe but plausible scenario, the Group did not forecast a draw down on its bank facilities nor does it forecast a breach of its banking covenants.

DMGT has confirmed that it will provide such financial support as might be necessary to ensure that the company is a going concern for at least twelve months from the date of signing of these financial statements.

Directors' responsibilities

Each of the persons who are a director at the date of approval of this report confirm that they have satisfied their responsibilities, as outlined in the Statement of Directors' Responsibilities on page 8.

Disclosure of information to the auditors

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

- so far as the directors are aware, there is no relevant audit information they know of which the Company's auditors are unaware; and
- the directors have taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

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

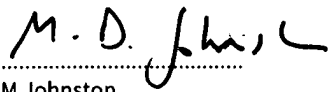
Reappointment of independent auditors

PricewaterhouseCoopers LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

DMGI Land & Property Europe Ltd

Directors' Report for the Year Ended 30 September 2019

Approved by the Board on 21 September 2020 and signed on its behalf by:



M Johnston

Director

Date: 21 September 2020

DMGI Land & Property Europe Ltd

Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual 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 United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). 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 and apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 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.

DMGI Land & Property Europe Ltd

Independent auditors' report to the members of DMGI Land & Property Europe Ltd

Report on the audit of the financial statements

Opinion

In our opinion, DMGI Land & Property Europe Ltd's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 30 September 2019; the income statement, and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which 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 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.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

DMGI Land & Property Europe Ltd

Independent auditors' report to the members of DMGI Land & Property Europe Ltd

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 30 September 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

DMGI Land & Property Europe Ltd

Independent auditors' report to the members of DMGI Land & Property Europe Ltd

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.

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

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

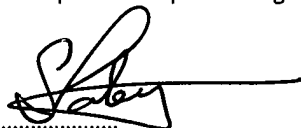
Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



.....
Stephen Patey (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP,
Chartered Accountants and Statutory Auditors
Bristol

21 September 2020

DMGI Land & Property Europe Ltd

Income Statement for the Year Ended 30 September 2019

| | | Year ended 30 September 2019 £ | Year ended 30 September 2018 £ |
|--|------|---|---|
| | Note | | |
| Administrative expenses | | (298,457) | - |
| Operating loss | | (298,457) | - |
| Income from group undertakings | | 107,375 | - |
| Income from shares in group undertakings and participating interests | | 17,823,981 | - |
| Profit on disposal of other fixed asset investments | | 889,592 | - |
| Interest receivable and similar income | 4 | 57,824 | 57,823 |
| Interest payable and similar expenses | | (184,834) | (239,971) |
| Profit/(loss) before taxation | | 18,395,481 | (182,148) |
| Tax on profit/(loss) | 7 | 9,819 | 34,608 |
| Profit/(loss) for the financial year | | <u>18,405,300</u> | <u>(147,540)</u> |

The company has no other comprehensive income in the current year or the prior year other than the results above and therefore no separate statement of comprehensive income has been presented.

Revenue and operating profit derive wholly from continuing operations.

DMGI Land & Property Europe Ltd

Statement of Changes in Equity for the Year Ended 30 September 2019

| | Called up share capital £ | Share premium account £ | Retained earnings £ | Total shareholders' funds £ |
|-----------------------------|--|--|------------------------------------|--|
| At 1 October 2017 | <u>19,101,093</u> | <u>58,584,477</u> | <u>119,440,703</u> | <u>197,126,273</u> |
| Loss for the financial year | <u>-</u> | <u>-</u> | <u>(147,540)</u> | <u>(147,540)</u> |
| Total comprehensive expense | <u>-</u> | <u>-</u> | <u>(147,540)</u> | <u>(147,540)</u> |
| At 30 September 2018 | <u>19,101,093</u> | <u>58,584,477</u> | <u>119,293,163</u> | <u>196,978,733</u> |

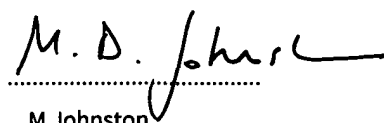
| | Called up share capital £ | Share premium account £ | Retained earnings £ | Total shareholders' funds £ |
|-------------------------------|--|--|------------------------------------|--|
| At 1 October 2018 | <u>19,101,093</u> | <u>58,584,477</u> | <u>119,293,163</u> | <u>196,978,733</u> |
| Profit for the financial year | <u>-</u> | <u>-</u> | <u>18,405,300</u> | <u>18,405,300</u> |
| Total comprehensive income | <u>-</u> | <u>-</u> | <u>18,405,300</u> | <u>18,405,300</u> |
| At 30 September 2019 | <u>19,101,093</u> | <u>58,584,477</u> | <u>137,698,463</u> | <u>215,384,033</u> |

The notes on pages 15 to 29 form an integral part of these financial statements.

DMGI Land & Property Europe Ltd**(Registration number: 1163844)****Statement of Financial Position as at 30 September 2019**

| | Note | 2019 £ | 2018 £ |
|---------------------------------------|------|----------------------|----------------------|
| Non-current assets | | | |
| Investments | 8 | <u>252,243,411</u> | <u>231,153,496</u> |
| | | <u>252,243,411</u> | <u>231,153,496</u> |
| Current assets | | | |
| Trade and other receivables | 9 | 112,261,067 | 100,372,156 |
| Current income tax asset | | <u>9,764</u> | <u>34,608</u> |
| | | 112,270,831 | 100,406,764 |
| Current liabilities | | | |
| Trade and other payables | 10 | <u>(149,029,058)</u> | <u>(134,581,527)</u> |
| Net current liabilities | | <u>(36,758,227)</u> | <u>(34,174,763)</u> |
| Total assets less current liabilities | | 215,485,184 | 196,978,733 |
| Provisions for liabilities | 11 | <u>(101,151)</u> | <u>-</u> |
| Net assets | | <u>215,384,033</u> | <u>196,978,733</u> |
| Capital and reserves | | | |
| Called up share capital | 12 | 19,101,093 | 19,101,093 |
| Share premium reserve | | 58,584,477 | 58,584,477 |
| Retained earnings | | <u>137,698,463</u> | <u>119,293,163</u> |
| Shareholders' funds | | <u>215,384,033</u> | <u>196,978,733</u> |

The financial statements on pages 12 to 29 were approved by the Board on 21 September 2020 and signed on its behalf by:



M Johnston

Director

The notes on pages 15 to 29 form an integral part of these financial statements.

DMGI Land & Property Europe Ltd

Notes to the Financial Statements for the Year Ended 30 September 2019

1 General information

The Company is a private company limited by share capital incorporated and domiciled in England and Wales.

The address of its registered office is:

5-7 Abbey Court

Eagle Way

Sowton Industrial Estate

Exeter

EX2 7HY

United Kingdom

DMGI Land & Property Europe Ltd is a holding company for certain business information activities of the Daily Mail and General Trust plc (DMGT) Group.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention, and in accordance with the Companies Act 2006. The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are outlined in Note 3.

DMGI Land & Property Europe Ltd

Notes to the Financial Statements for the Year Ended 30 September 2019

2 Accounting policies (continued)

Summary of disclosure exemptions

Standards issued but not effective

The Company has applied the exemption available under FRS 101 in relation to paragraphs 30 and 31 of IAS 8 "Accounting policies, changes in accounting estimates and errors" (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued and is not yet effective).

Cash flow Statement

The Company is a wholly owned subsidiary of DMGT and the cash flows of the Company are included in the consolidated cash flows of that company. Consequently the Company is exempt under the terms of FRS 101 from publishing a separate cash flow statement.

Exemption from comparative information

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101: Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of paragraph 79(a)(iv) of IAS 1.

Financial instruments - disclosures

The Company has taken advantage of the exemption provided in IFRS 7, Financial Instruments: Disclosures as disclosures have been included in the consolidated financial statements of the DMGT group.

Related Party Transactions

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101: Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation) and the requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more wholly owned subsidiaries of a group.

Exemption for borrowing costs

The Company has elected to apply the requirements of IAS 23 only with effect from 1 October 2015. Borrowing costs incurred on or after 1 October 2015 are accounted for in accordance with IAS 23, that is borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, being one that takes a substantial amount of time to get ready for its intended use, are capitalised as part of the cost of the asset.

DMGI Land & Property Europe Ltd

Notes to the Financial Statements for the Year Ended 30 September 2019

2 Accounting policies (continued)

Going concern

The directors have considered the ability of the Company to continue in operational existence for the foreseeable future as well as the relevant business and financial risks. In doing this, they have considered the Company's business activities, together with the factors likely to affect its future development, performance and position.

As part of their assessment of the impact of the COVID-19, the Directors of the Group have obtained new five-year trading forecasts which have been re-modelled to incorporate a pessimistic scenario and a plausible but severe scenario for the period through to 30 September 2021, from its operating subsidiaries together with short term projections from certain associates and financial assets at fair value through other comprehensive income. These forecasts and projections have been used in the assessment of the carrying values of these subsidiaries, associates and financial assets at fair value through other comprehensive income. In addition, the Directors considered the availability of the Group's committed but undrawn bank facilities of £380.0 million which expire in March 2023. In this severe but plausible scenario, the Group did not forecast a draw down on its bank facilities nor does it forecast a breach of its banking covenants.

DMGT has confirmed that it will provide such financial support as might be necessary to ensure that the company is a going concern for at least twelve months from the date of signing of these financial statements.

After making enquiries, the directors therefore have a reasonable expectation that the Company will have access to adequate resources to continue in operational existence for the foreseeable future and have therefore continued to adopt the going concern basis in preparing the financial statements.

Exemption from preparing group financial statements

The financial statements contain information about DMGI Land & Property Europe Ltd as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of DMGT, a company incorporated in England and Wales.

Changes resulting from adoption of IFRS 9 and IFRS 15

IFRS 9 Financial Instruments and IFRS 15 Revenue from Contract with Customers became mandatorily effective on 1 January 2018.

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities; derecognition of financial instruments; impairment of financial assets; and hedge accounting.

DMGI Land & Property Europe Ltd

Notes to the Financial Statements for the Year Ended 30 September 2019

2 Accounting policies (continued)

IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related interpretations, introducing a five step approach to revenue recognition and applies to all revenue arising from contracts with its customers.

The new standards have an immaterial effect on this Company.

Tax

Tax is charged or credited to the Income Statement, except when it relates to items charged or credited directly to equity, in which case the tax is also recognised directly in equity.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates taxable income.

Deferred consideration

Some investments in subsidiary undertakings include an element of deferred consideration. This deferred element is an area of judgement and may change based on the terms of the agreement.

Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Impairment reviews are performed when there is an indicator that the carrying value of the shares in Group undertakings could exceed their recoverable values based on their value in use or fair value less costs to sell. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset. These calculations use cash flow projections based on Board-approved budgets and projections which reflect management's current experience and future expectations of the markets in which the Group undertaking operates.

If an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the statement of comprehensive income.

If the recoverable amount of the asset is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the statement of income statement.

Unrealised holding gains and losses other than impairments are recognised in other comprehensive income. On maturity or disposal, net gains and losses previously deferred in accumulated other comprehensive income are recognised in income.

DMGI Land & Property Europe Ltd

Notes to the Financial Statements for the Year Ended 30 September 2019

2 Accounting policies (continued)

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

3 Critical accounting judgements and key sources of estimation uncertainty

Investments

The carrying value of investments are reviewed by management every six months for an assessment of impairment, which includes comparing the carrying values to future discounted cash flows from the various business units within the investments owned.

See note 8 for the carrying value of investments and note 2 for the accounting policy on investments for information on how the impairment of investments is assessed.

Deferred consideration

Deferred consideration represent potential earnout payments due to be made in respect of subsidiaries acquired. The directors estimate deferred consideration based on specific performance criteria being met.

4 Interest receivable and similar income

| | Year ended 30 September 2019 £ | Year ended 30 September 2018 £ |
|---------------------------|---|---|
| Other interest receivable | <u>57,824</u> | <u>57,823</u> |

5 Directors' remuneration

The directors were the only employees of the company during the current and prior financial years. They received no remuneration from the company for their services in either year. S Stout, S Brown, D Callcott and M Teague was remunerated by Landmark Information Group Limited, M Milner was remunerated by EDR Management Services Limited, P Zwillenberg was remunerated by Daily Mail and General Trust Plc and A Perry was remunerated by Daily Mail and General Holdings Limited.

6 Auditors' remuneration

The fees in relation to the audit of the financial statements of the company amounted to £4,000 (2018: £2,196). The audit fee for the company is borne by another Group Company.

DMGI Land & Property Europe Ltd

Notes to the Financial Statements for the Year Ended 30 September 2019

7 Tax on profit/(loss)

Tax credited in the income statement

| | Year ended 30 September 2019 £ | Year ended 30 September 2018 £ |
|--|---|---|
| Current taxation | | |
| UK corporation tax | (9,764) | (34,608) |
| UK corporation tax adjustment to prior periods | (55) | - |
| | <u>(9,819)</u> | <u>(34,608)</u> |

The tax on profit/ (loss) for the year is lower than the standard rate of corporation tax in the UK (2018 - the same as the standard rate of corporation tax in the UK) of 19% (2018 - 19%).

The differences are reconciled below:

| | Year ended 30 September 2019 £ | Year ended 30 September 2018 £ |
|---|---|---|
| Profit/(loss) before tax | <u>18,395,481</u> | <u>(182,148)</u> |
| Corporation tax at standard rate | 3,495,141 | (34,608) |
| Decrease in current tax from adjustment for prior periods | (55) | - |
| Decrease from effect of expenses not deductible in determining tax loss | (118,349) | - |
| Decrease from effect dividends from UK companies | <u>(3,386,556)</u> | <u>-</u> |
| Total tax credit | <u>(9,819)</u> | <u>(34,608)</u> |

The main rate of UK corporation tax of 19% has been in effect since 1 April 2017, accordingly, current tax has been provided for at a rate of 19% in these financial statements.

Under FRS101, deferred tax is calculated at the tax rate that has been enacted or substantively enacted at the balance sheet date. Legislation was enacted in September 2016 to reduce the main rate of UK corporation tax from 19% to 17%. Hence, the tax rate of 17% has been applied in the calculation of deferred tax except where the timing difference is expected to reverse before 1 April 2020 in which case the appropriate rate has been used. Subsequently, in March 2020 and after the Balance Sheet date, further legislation was enacted to cancel the reduction of the main rate of corporation tax with 19% being retained for future periods. The deferred tax balances will be revised accordingly in the Financial Statements for the year ending 30 September 2020.

DMGI Land & Property Europe Ltd

Notes to the Financial Statements for the Year Ended 30 September 2019

8 Investments

| | Subsidiaries £ | Joint Ventures £ | Unlisted Investments £ | Total £ |
|--------------------------|--------------------|------------------------|------------------------------|--------------------|
| Cost or valuation | | | | |
| At 1 October 2018 | 230,153,496 | 1,000,000 | 11,977,319 | 243,130,815 |
| Additions | 21,090,114 | - | - | 21,090,114 |
| Disposals | (199) | - | (11,977,319) | (11,977,518) |
| At 30 September 2019 | <u>251,243,411</u> | <u>1,000,000</u> | <u>-</u> | <u>252,243,411</u> |
| Provision | | | | |
| At 1 October 2018 | - | - | 11,977,319 | 11,977,319 |
| Eliminated on disposals | - | - | (11,977,319) | (11,977,319) |
| At 30 September 2019 | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Carrying amount | | | | |
| At 30 September 2019 | <u>251,243,411</u> | <u>1,000,000</u> | <u>-</u> | <u>252,243,411</u> |
| At 30 September 2018 | <u>230,153,496</u> | <u>1,000,000</u> | <u>-</u> | <u>231,153,496</u> |

The directors believe that the carrying value of the investments is supported by their underlying net assets.

On 24th July 2019, the Company acquired Landmark Optimus Limited for £17,310,812. Also during the year, the investment in Rochford Brady Legal Services Limited was transferred at the carrying amount of £3,779,302 to the Company from another group company. In the prior year, DMGI Land & Property Europe Ltd indirectly held 100% of the ownership interest and voting rights in this investment.

During the year, the unlisted investment, XAP Corporation, was disposed.

DMGI Land & Property Europe Ltd

Notes to the Financial Statements for the Year Ended 30 September 2019

8 Investments (continued)

Subsidiaries

Details of the subsidiaries as at 30 September 2019 are as follows:

| Name of subsidiary | Principal activity | Country of incorporation and registered office | Proportion of ownership interest and voting rights held | |
|--|------------------------|--|---|------|
| | | | 2019 | 2018 |
| Argyll Environmental Limited* | Business information | England & Wales 5-7 Abbey Court, Eagle Way, Sowton Industrial Estate, Exeter, EX2 7HY | 100% | 100% |
| AVMGE GmbH | Business information | Germany Parsevalstr. 2, 99092, Erfurt | 0% | 90% |
| Decision Insight Hub Limited | Data Provider | England & Wales 5-7 Abbey Court, Eagle Way, Sowton Industrial Estate, Exeter, EX2 7HY | 100% | 100% |
| Decision Insight Information Group (Ireland) Limited | Holding company | Ireland 39/40 Upper Mount Street, Dublin 2 | 0% | 100% |
| Decision Insight Information Group (UK) Limited* | Data Provider | England & Wales 5-7 Abbey Court, Eagle Way, Sowton Industrial Estate, Exeter, EX2 7HY | 100% | 100% |
| Decision Insight Packco Limited | Non-trading | England & Wales 5-7 Abbey Court, Eagle Way, Sowton Industrial Estate, Exeter, EX2 7HY | 100% | 100% |
| Estate Technical Solutions Limited* | Data provider | England & Wales 5-7 Abbey Court, Eagle Way, Sowton Industrial Estate, Exeter, EX2 7HY | 100% | 100% |
| Ensura Limited | Insurance intermediary | England & Wales 5-7 Abbey Court, Eagle Way, Sowton Industrial Estate, Exeter, EX2 7HY | 0% | 100% |

DMGI Land & Property Europe Ltd

Notes to the Financial Statements for the Year Ended 30 September 2019

8 Investments (continued)

| | | | | |
|--|--------------------------------|--|------|------|
| Decision Insight Information Group (Europe) Limited* | Holding company | England & Wales 5-7 Abbey Court, Eagle Way, Sowton Industrial Estate, Exeter, EX2 7HY | 0% | 100% |
| Inframation AG | Business Information | Germany Parsevalstr. 2, 99092, Erfurt | 100% | 100% |
| Landmark Analytics Limited* | Business information | England & Wales 5-7 Abbey Court, Eagle Way, Sowton Industrial Estate, Exeter, EX2 7HY | 100% | 100% |
| Landmark FAS Limited | Reports for probate solicitors | England & Wales 5-7 Abbey Court, Eagle Way, Sowton Industrial Estate, Exeter, EX2 7HY | 100% | 100% |
| Landmark Information Group Limited* | Business information | England & Wales 5-7 Abbey Court, Eagle Way, Sowton Industrial Estate, Exeter, EX2 7HY | 100% | 100% |
| Landmark International Holdings Limited | Holding company | England & Wales 5-7 Abbey Court, Eagle Way, Sowton Industrial Estate, Exeter, EX2 7HY | 100% | 100% |
| Landmark Optimus Limited | Panel Manager | England & Wales 5-7 Abbey Court, Eagle Way, Sowton Industrial Estate, Exeter, EX2 7HY | 100% | 0% |
| Lawlink (UK) Limited* | Data provider | Northern Ireland 5-7 Abbey Court, Eagle Way, Sowton Industrial Estate, Exeter EX2 7HY | 100% | 100% |
| Millar & Bryce Limited | Data provider | Scotland 10th Floor, 133 Finnieston Street, Glasgow, G3 8HB | 100% | 100% |

DMGI Land & Property Europe Ltd

Notes to the Financial Statements for the Year Ended 30 September 2019

8 Investments (continued)

| | | | | |
|--|----------------------|--|------|------|
| Ochresoft Technologies Limited* | Business information | England & Wales 11 Lancaster Place, South Marston Business Park, Swindon SN3 4UQ | 100% | 100% |
| On-Geo Austria GmbH | Business information | Austria Herrengasse 1-3, 1010 Vienna | 0% | 90% |
| On-Geo GmbH | Business information | Germany Parsevalstr. 2, 99092, Erfurt | 0% | 90% |
| PICO Information Limited* | Dormant | England & Wales | 100% | 100% |
| Quest End Computer Services Limited* | Business information | England & Wales 5-7 Abbey Court, Eagle Way, Sowton Industrial Estate, Exeter, EX2 7HY | 100% | 100% |
| Richards Gray Limited | Dormant | England & Wales 5-7 Abbey Court, Eagle Way, Sowton Industrial Estate, Exeter, EX2 7HY | 100% | 100% |
| Rochford Brady Legal Services Limited* | Data provider | Republic of Ireland 39/40 Upper Mount Street, Dublin 2 | 100% | 100% |
| Searchflow Limited | Data provider | England & Wales 5-7 Abbey Court, Eagle Way, Sowton Industrial Estate, Exeter, EX2 7HY | 100% | 100% |
| Vesseltracker.com GmbH | Business information | Germany Mundsburger Damm 14, D-22087, Hamburg | 100% | 100% |
| Watervale Limited | Non-trading | England & Wales 5-7 Abbey Court, Eagle Way, Sowton Industrial Estate, Exeter, EX2 7HY | 100% | 100% |

* indicates direct investment of DMGI Land & Property Europe Ltd.

Decision Insight Packco Limited has been liquidated post year end.

DMGI Land & Property Europe Ltd

Notes to the Financial Statements for the Year Ended 30 September 2019

8 Investments (continued)

Associates

Details of the associates as at 30 September 2019 are as follows:

| Name of associate | Principal activity | Registered office | Proportion of ownership interest and voting rights held | |
|----------------------|----------------------|--|---|--------|
| | | | 2019 | 2018 |
| Hypoport On-Geo GmbH | Business information | Klosterr. 71, 10179 Berlin Germany | 0% | 45% |
| Instant Service AG | Business information | Peterstr. 1, 99084 Erfurt. Germany | 0% | 45% |
| RLTO Limited | Business information | Stapleton House, 110 Clifton Street, London EC2A 4HT England & Wales | 20.02% | 20.02% |

Joint ventures

Details of the joint ventures as at 30 September 2019 are as follows:

| Name of Joint-ventures | Principal activity | Country of incorporation and principal place of business | Proportion of ownership interest and voting rights held | |
|------------------------|----------------------|---|---|------|
| | | | 2019 | 2018 |
| Decision First Limited | Data provider | England & Wales Cardinal House, 9 Manor Road, Leeds LS11 9AH | 50% | 50% |
| PointX Limited * | Business information | England & Wales 5-7 Abbey Court, Eagle Way, Sowton Industrial Estate, Exeter EX2 7HY | 50% | 50% |

* indicates direct investment of DMGI Land & Property Europe Ltd.

DMGI Land & Property Europe Ltd

Notes to the Financial Statements for the Year Ended 30 September 2019

9 Trade and other debtors

| | At 30 September 2019 £ | At 30 September 2018 £ |
|------------------------------------|---------------------------------|---------------------------------|
| Amounts owed by group undertakings | <u>112,261,067</u> | <u>100,372,156</u> |

There are no debtors falling due in more than one year.

Amounts owed by group undertakings of £112,261,067 (2018: £100,372,156) are unsecured, not subject to interest and are repayable on demand.

10 Trade and other payables

| | At 30 September 2019 £ | At 30 September 2018 £ |
|------------------------------------|---------------------------------|---------------------------------|
| Current liabilities | | |
| Amounts owed to group undertakings | 147,426,525 | 134,581,527 |
| Deferred consideration | <u>1,602,533</u> | <u>-</u> |
| | <u>149,029,058</u> | <u>134,581,527</u> |

Amounts owed to group undertakings of £147,426,525 (2018: £134,581,527) are unsecured, not subject to interest and are repayable on demand.

11 Provisions for liabilities

| | Other provisions £ |
|-----------------------|--------------------------|
| At 1 October 2018 | - |
| Additional provisions | <u>101,151</u> |
| At 30 September 2019 | <u>101,151</u> |

DMGI Land & Property Europe Ltd

Notes to the Financial Statements for the Year Ended 30 September 2019

11 Provisions for liabilities (continued)

Other provisions relate to an expense contingency regarding sellers costs yet to be incurred in the disposal of the company's investment in XAP Corporation. The disposal of XAP Corporation is shown in note 8 under unlisted investments.

DMGI Land & Property Europe Ltd

Notes to the Financial Statements for the Year Ended 30 September 2019

12 Called up share capital

Allotted, called up and fully paid shares

| | At 30 September 2019 | | At 30 September 2018 | |
|----------------------------|----------------------|------------|----------------------|------------|
| | Number | £ | Number | £ |
| Ordinary shares of £1 each | 19,101,093 | 19,101,093 | 19,101,093 | 19,101,093 |

13 Ultimate parent company and controlling party

The Company is controlled by Rothermere Continuation Limited (RCL), which is incorporated in Bermuda. The main asset of RCL is its 100% holding of DMGT's issued Ordinary shares. RCL has controlled DMGT for many years and as such is its immediate parent company. RCL is controlled by a discretionary trust ("the Trust") which is held for the benefit of Viscount Rothermere and his immediate family. The Trust represents the ultimate controlling party of the Company. Both RCL and the Trust are administered in Jersey, in the Channel Islands. RCL and its directors, and the Trust are related parties of the Company.

On 5 December 2019, pursuant to a consolidation of the Group's holding structure, RCL was acquired by Rothermere Investments Limited (RIL), a company incorporated in Jersey. RIL now holds 100% of DMGT's issued Ordinary Shares. The underlying control of the Company, however, remains unchanged and continues to lie with the Trust. RIL is administered in Jersey, and RIL and its directors are also related parties of the Company. RIL has subsequently renamed itself RCL. The Company's immediate parent undertaking at the balance sheet date is DMG Information Limited, incorporated in England and Wales.

The ultimate parent is RCL.

Relationship between entity and parents

The largest and smallest group of which the Company is a member and from which group financial statements are drawn up is that of DMGT, incorporated in England and Wales.

Copies of the report and financial statements are available from the Company Secretary at:

Northcliffe House
2 Derry Street
London
UK
W8 5TT

DMGI Land & Property Europe Ltd

Notes to the Financial Statements for the Year Ended 30 September 2019

14 Non adjusting events after the financial period

On 5 December 2019, pursuant to a consolidation of the Group's holding structure, the Company's ultimate parent company, Rothermere Continuation Limited (RCL) was acquired by Rothermere Investments Limited (RIL), a company incorporated in Jersey, in the Channel Islands. RIL now holds 100% of DMGT's issued Ordinary Shares. The underlying control of DMGT, however, remains unchanged and continues to lie with a discretionary trust (the Trust) that is held for the benefit of Lord Rothermere and his immediate family. Both RIL and the Trust are administered in Jersey. RIL and its directors, and the Trust are related parties of the Company. RIL has subsequently renamed itself RCL.

On 30 January 2020 the World Health Organisation (WHO) declared a Health Emergency and on 11 March 2020 a Global Pandemic following the outbreak of Coronavirus (COVID-19) the directors have considered this to be a non adjusting post balance sheet event.

As part of their assessment of the impact of the COVID-19, the Directors of the Group have obtained new five-year trading forecasts which have been re-modelled to incorporate a pessimistic scenario and a plausible but severe scenario for the period through to 30 September 2021, from its operating subsidiaries together with short term projections from certain associates and financial assets at fair value through other comprehensive income. These forecasts and projections have been used in the assessment of the carrying values of these subsidiaries, associates and financial assets at fair value through other comprehensive income. In addition, the Directors considered the availability of the Group's committed but undrawn bank facilities of £380.0 million which expire in March 2023. In this severe but plausible scenario, the Group did not forecast a draw down on its bank facilities nor does it forecast a breach of its banking covenants.

DMGT has confirmed that it will provide such financial support as might be necessary to ensure that the company is a going concern for at least twelve months from the date of signing of these financial statements.