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**BAUER CONSUMER MEDIA LIMITED**

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**Unaudited**

**Annual Report and Financial Statements**

**For the Year Ended 31 December 2020**

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**BAUER CONSUMER MEDIA LIMITED**

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**Company Information**

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<b>Directors</b>	R Munro-Hall L Hayden C Duncan (appointed 1 December 2020)
<b>Company secretary</b>	Bauer Group Secretariat Limited
<b>Registered number</b>	01176085
<b>Registered office</b>	Media House Peterborough Business Park Lynch Wood Peterborough PE2 6EA

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## **BAUER CONSUMER MEDIA LIMITED**

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### **Contents**

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	<b>Page</b>
<b>Strategic Report</b>	<b>1 - 3</b>
<b>Directors' Report</b>	<b>4</b>
<b>Statement of Directors' Responsibilities in respect of the Annual Report and the Financial Statements</b>	<b>5</b>
<b>Profit and Loss Account</b>	<b>6</b>
<b>Balance Sheet</b>	<b>7</b>
<b>Statement of Changes in Equity</b>	<b>8</b>
<b>Notes to the Financial Statements</b>	<b>9 - 24</b>

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## BAUER CONSUMER MEDIA LIMITED

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### Strategic Report For the Year Ended 31 December 2020

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#### Introduction

The directors present their strategic report for the year ended 31 December 2020.

#### Business review

The Company is now concentrated on Business to Business ("B2B") brands and the results for 2020 reflect this as continuing activities. The B2B portfolio spans print, online and events in the Automotive and Rail Transport sectors. The Company has particular strategic focus on growing its events business in this space, but progress on this ambition has had to be postponed as a result of the Covid pandemic. The Company is developing new business models across the sustainable transport and UK rail network sectors.

The Company paid interim 2020 dividends of £5,000,000 (2019: £231,004,000) (note 12).

The Company's turnover from continuing operations fell to £4,964,000 (2019: £8,976,000). Pre-tax losses were £2,179,000 (2019: profit £84,915,000). However, as disclosed in note 5, the Company suffered a loss on impairment of investments of £4,275,000 (2019: £1,008,000). Excluding these one-off impairments, profit for the year was £2,096,000, only slightly down on the continuing profits of 2019 of £2,372,000 as disclosed in the profit and loss account on page 6. The directors consider this a strong performance, in the circumstances, and are confident of improved profitability as the economy returns to growth.

At the year end the Company's net assets decreased to £13,255,000 (2019: £21,705,000), reflecting the result for the year and dividends paid.

#### Principal risks and uncertainties

The Company is exposed to risks associated with the ongoing supply chain and structural change in the B2B market, fluctuations in advertising spend, appetite for in person events and the maintenance of key relationships through the UK magazine supply chain.

Although COVID 19 caused a downturn in advertising from sectors impacted by the legal restrictions imposed and events being cancelled or postponed, the Company took action to manage the cost base during the crisis and the directors are pleased to note that, with the assistance of Coronavirus Job Retention Scheme grants from the UK government during 2020, the Company has been able to minimise redundancies as a result of the impact of Covid-19.

Although the Company operates wholly within the UK, it is exposed to some foreign currency fluctuations from trading with overseas suppliers, principally of paper. Further its overseas assets and liabilities are similarly exposed. The Company seeks to minimise this risk with the support from the Company's parent.

The Company's credit risk is primarily attributable to its trade debtors. Credit risk is managed by obtaining prepayments from new customers and running credit checks on existing customers. Liquidity and cashflow risks are managed through support from the Company's parent.

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## BAUER CONSUMER MEDIA LIMITED

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### Strategic Report (continued) For the Year Ended 31 December 2020

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#### Financial key performance indicators

The key financial performance indicators, on a like-for-like basis, are Turnover from Continuing Operations of £4,964,000 (2019: £8,976,000) and Profit from Continuing Operations before tax and impairments of £2,096,000 (2019 profit: £2,372,000).

#### Other key performance indicators

The key non financial performance indicators include the gender pay gap, copy sales, as published by the Audit Bureau of Circulation on a six monthly or annual basis, and advertising market share.

#### Directors' statement of compliance with duty to promote the success of the Company

Section 172 of the Companies Act 2006 requires directors to take into consideration the interests of stakeholders in their decision making. The directors continue to have regard to the interests of the Company's employees and other stakeholders, including the impact of its activities on the community, the environment and the Company's reputation, when making decisions. Acting in good faith and fairly between members, the directors consider what is most likely to promote the success of the Company for its members in the long term. The directors are fully aware of their responsibilities to promote the success of the Company in accordance with section 172 of the Companies Act 2006.

The Board regularly reviews our principal stakeholders and how we engage with them. The stakeholder voice is constantly brought to the Executive team through information provided by management and also by direct engagement with stakeholders themselves. The relevance of each stakeholder group may increase or decrease depending on the matter or issue in question, so the Board seeks to consider the needs and priorities of each stakeholder group during its discussions and as part of its decision making.

The Company is a trading company and as such the directors consider that the Company's stakeholders are its customers, consumers, employees, shareholder and its supplier base.

#### Customers and consumers

The Company is committed to serving the needs of its audiences and advertisers. We produce highly engaging content which resonates with audiences. Our brands provide a trusted advertising environment for our customers. The Board considers the impact on both customers and consumers when taking decisions about the future direction of brands.

#### Employees

We work to attract, develop, and retain quality talent, equipped with the right skills for the future. Our people have a crucial role in delivering our strategy and creating value.

The interests of our employees include training, development, and prospects; diversity and inclusion; fair pay and benefits; health and safety and working conditions.

We do everything we can to ensure equality of opportunity for everyone who works at Bauer or wants to work at Bauer, including, but not limited to those from ethnic communities, those who have a disability or mental health challenge, and those from a lower socio economic background. This approach underpins how we attract and recruit new people into Bauer, as well as the support we provide to develop and progress our staff.

Disabled employees are given the same consideration as others and, depending on their skills and abilities, will enjoy the same training, development, and prospects as other staff. Employees who become disabled during their employment with the Company will be retained wherever possible and encouraged to develop their careers.

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## BAUER CONSUMER MEDIA LIMITED

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### Strategic Report (continued) For the Year Ended 31 December 2020

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We refer to our approach to diversity and inclusion in the UK business as “Belonging at Bauer”. Belonging at Bauer means that we recognise people are at the heart of everything we do. Inclusion is at the core of our values as a business and we celebrate authenticity, valuing the richness difference and diversity bring to our business.

The Company, in conjunction with the Bauer worldwide group, uses a variety of means to inform and to listen to its employees, including regular pulse surveys, online town hall meetings with the senior executive teams, weekly emails and frequent newsletters to all employees, and a dedicated Bauer Buzz intranet site.

#### Shareholder

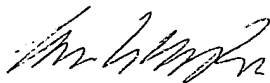
Bauer Consumer Media Limited is a wholly owned subsidiary of HBVB. The Board considers its shareholder when making decisions for both the short and long term.

#### Suppliers

The Company operates an integrity based approach to our supply chain and looks to work with suppliers who share our values. Our supplier conduct policy is available at [bauermedia.co.uk](http://bauermedia.co.uk).

Our supplier interests include fair trading, payment terms, success of the business and long-term partnerships and we regularly meet with key suppliers to develop these relationships. Our policy is to settle the terms of payment with suppliers when agreeing the terms of each transaction and to ensure that suppliers are made aware of the terms of payment and to abide by the terms of payment. The average trade creditors, expressed as a number of days, were 21 (2019: 17).

This report was approved by the board on 7 September 2021 and signed on its behalf.



07/09/2021  
.....  
**L Hayden**  
Director

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## BAUER CONSUMER MEDIA LIMITED

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### Directors' Report For the Year Ended 31 December 2020

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

#### Results and dividends

The loss for the year, after taxation, amounted to £3,450,000 (2019: profit £84,624,000).

An interim dividend of £5,000,000 was paid during the year (2019: £231,004,000). The directors do not recommend the payment of a final dividend (2019: £Nil).

#### Directors

The directors who served during the year were:

R Munro-Hall  
L Hayden  
C Duncan (appointed 1 December 2020)

#### Political contributions

The Company made no political donations nor incurred any political expenditure during the year (2019: £Nil).

#### Future developments

While the coronavirus crisis presents a challenging economic environment, the Company has adjusted quickly to manage the downside risk. The Company is developing new business models, with particular focus on the sustainable transport and UK rail network sectors. The Company has seen its events return in 2021, either Covid secure, or by moving more of them online.

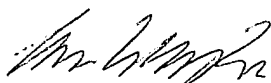
#### Matters covered in the strategic report

A business review, financial results, details of the principal risks and uncertainties faced by the Company and details on the Company's engagement with employees, shareholders and suppliers have been included in the Strategic Report on pages 1 - 3.

#### Auditor

The directors have claimed exemption, under section 479A of the Companies Act 2006, from the need to have these financial statements audited. A statement of guarantee by a parent undertaking, Heinrich Bauer Verlag Beteiligungs GmbH, a company incorporated in Germany with registration number HRB 32176, has been approved for filing at Companies House.

This report was approved by the board on 7 September 2021 and signed on its behalf.



07/09/2021

L Hayden  
Director

Media House  
Peterborough Business Park  
Lynch Wood  
Peterborough  
PE2 6EA

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## BAUER CONSUMER MEDIA LIMITED

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### **Statement of Directors' Responsibilities in respect of the Annual Report and the Financial Statements For the Year Ended 31 December 2020**

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The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 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, and 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 consider that the Company is entitled to exemption from audit under section 479A of the Companies Act 2006.

The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.



**BAUER CONSUMER MEDIA LIMITED**

**Profit and Loss Account  
For the Year Ended 31 December 2020**

		Continuing operations 2020 £000	Discontinued Operations 2020 £000	Total 2020 £000	Continuing operations 2019 £000	Discontinued operations 2019 £000	Total 2019 £000
	Note						
Turnover	4	4,964	-	4,964	8,976	-	8,976
Cost of sales		(1,607)	-	(1,607)	(2,778)	-	(2,778)
<b>Gross profit</b>		<b>3,357</b>	<b>-</b>	<b>3,357</b>	<b>6,198</b>	<b>-</b>	<b>6,198</b>
Distribution costs		(344)	-	(344)	(430)	-	(430)
Administrative expenses - trade	5	(3,528)	-	(3,528)	(4,467)	(4,403)	(8,870)
Administrative expenses - impairment	5	(4,275)	-	(4,275)	-	(1,008)	(1,008)
Other operating income	6	99	-	99	51	2,055	2,106
<b>Operating profit/(loss)</b>	7	<b>(4,691)</b>	<b>-</b>	<b>(4,691)</b>	<b>1,352</b>	<b>(3,356)</b>	<b>(2,004)</b>
Income from shares in group undertakings		2,477	-	2,477	1,020	4,511	5,531
Profit on disposal of operations		-	-	-	-	81,138	81,138
Profit on disposal of investment		-	-	-	-	1	1
Interest receivable and similar income	10	35	-	35	-	249	249
<b>(Loss)/profit before tax</b>		<b>(2,179)</b>	<b>-</b>	<b>(2,179)</b>	<b>2,372</b>	<b>82,543</b>	<b>84,915</b>
Tax on (loss)/profit	11	(1,271)	-	(1,271)	(254)	(37)	(291)
<b>(Loss)/profit for the financial year</b>		<b>(3,450)</b>	<b>-</b>	<b>(3,450)</b>	<b>2,118</b>	<b>82,506</b>	<b>84,624</b>

There were no recognised gains and losses for 2020 or 2019 other than those included in the profit and loss account.

The notes on pages 9 to 24 form part of these financial statements.

**BAUER CONSUMER MEDIA LIMITED**  
Registered number:01176085

**Balance Sheet**  
**As at 31 December 2020**

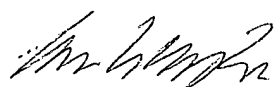
	Note	2020 £000	2020 £000	2019 £000	2019 £000
<b>Fixed assets</b>					
Investments	13		5,125		9,400
			<u>5,125</u>		<u>9,400</u>
<b>Current assets</b>					
Stocks	14	5		3	
Debtors: amounts falling due within one year	15	6,614		19,675	
Cash at bank and in hand		13,287		6,445	
		<u>19,906</u>		<u>26,123</u>	
Creditors: amounts falling due within one year	16	(11,776)		(13,818)	
<b>Net current assets</b>			<u>8,130</u>		<u>12,305</u>
<b>Total assets less current liabilities</b>			<u>13,255</u>		<u>21,705</u>
<b>Net assets</b>			<u>13,255</u>		<u>21,705</u>
<b>Capital and reserves</b>					
Called up share capital	18		424		424
Profit and loss account			12,831		21,281
			<u>13,255</u>		<u>21,705</u>

The directors considers that the Company is entitled to exemption from the requirement to have an audit under the provisions of section 479A of the Companies Act 2006.

The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 7 September 2021.



07/09/2021  
.....  
**L Hayden**  
Director

The notes on pages 9 to 24 form part of these financial statements.

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**BAUER CONSUMER MEDIA LIMITED**

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**Statement of Changes in Equity  
For the Year Ended 31 December 2020**

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	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2020	424	21,281	21,705
Loss for the year	-	(3,450)	(3,450)
Dividends: Equity capital	-	(5,000)	(5,000)
<b>At 31 December 2020</b>	<b>424</b>	<b>12,831</b>	<b>13,255</b>

The notes on pages 9 to 24 form part of these financial statements.

**Statement of Changes in Equity  
For the Year Ended 31 December 2019**

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	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2019	424	167,661	168,085
Profit for the year	-	84,624	84,624
Dividends: Equity capital	-	(231,004)	(231,004)
<b>At 31 December 2019</b>	<b>424</b>	<b>21,281</b>	<b>21,705</b>

The notes on pages 9 to 24 form part of these financial statements.

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## **BAUER CONSUMER MEDIA LIMITED**

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### **Notes to the Financial Statements For the Year Ended 31 December 2020**

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#### **1. General information**

Bauer Consumer Media Limited (the "Company") is a private company incorporated, domiciled and registered in England and Wales in the UK. The registered number is 01176085 and the registered address is Media House, Peterborough Business Park, Lynch Wood, Peterborough, PE2 6EA.

The Company is a multimedia business managing a portfolio of influential magazines, websites and events in the UK.

#### **2. Accounting policies**

##### **2.1 Basis of preparation of financial statements**

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

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

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

Bauer Consumer Media Limited acts as a non-disclosed agent for the raising of sales invoices and incurring of expenditure by other companies within the group. The invoices are raised by the shared service centre administered by another group entity, HBVB. Bauer Consumer Media Limited includes all sales invoices raised and cash receipts within the trade debtor balance in these accounts for all the companies where it acts as undisclosed agent as well as its own sales invoices and cash receipts relating to its revenue. Bauer Consumer Media Limited records a net intercompany creditor/debtor position in its books and the individual companies process a net corresponding intercompany debtor/creditor in their accounting records, this includes net impact of trade discounts which are accounted for centrally within HBVB. Bauer Consumer Media Limited and the companies have a legally enforceable right to set off intercompany balances, however the underlying credit and liquidity risk remain with the individual company.

The following principal accounting policies have been applied:

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## BAUER CONSUMER MEDIA LIMITED

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### Notes to the Financial Statements For the Year Ended 31 December 2020

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## 2. Accounting policies (continued)

### 2.2 Financial reporting standard 102 - reduced disclosure exemptions

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

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d).

This information is included in the consolidated financial statements of Heinrich Bauer Verlag Beteiligungs GmbH as at 31 December 2020 and these financial statements may be obtained from Burchardstraße 11, 20095 Hamburg, Germany.

The Company has taken advantage of the exemption in Financial Reporting Standard 102 section 33.1A "Related party disclosures" and has not disclosed transactions with wholly owned group undertakings.

### 2.3 Going concern

Notwithstanding a loss for the year ended 31 December 2020 of £3,450,000, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The Company has positive net assets and net current assets.

The future cash flow projections were prepared by directors for 12 months from signing date. The directors considered the future funding requirements of the business, and based on management forecasts have concluded that the Company will have sufficient funds to ensure that it can meet its financial liabilities as and when they fall due, for a period of at least 12 months from the day of signing these financial statements.

### 2.4 Foreign currency translation

#### Functional and presentation currency

The Company's functional and presentational currency is GBP.

#### Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

All foreign exchange gains and losses are presented in the Profit and Loss Account within 'administrative expenses - trade'.

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## BAUER CONSUMER MEDIA LIMITED

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### Notes to the Financial Statements For the Year Ended 31 December 2020

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## 2. Accounting policies (continued)

### 2.5 Revenue

#### Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Pre-paid subscription revenues are shown as deferred income and released to the Profit and Loss Account over the life of the subscription.

#### Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Advertising revenue is recognised according to the on-sale date of publication.

Event income is recognised when the event has taken place.

### 2.6 Intangible assets

Expenditure on brands created in-house is recognised in the Profit and Loss Account as an expense as incurred.

Other intangible assets that are acquired by the Company are stated at cost less accumulated amortisation and impairment losses.

Amortisation is charged to the Profit and Loss Account on a straight-line basis over the estimated useful lives of intangible assets.

Intangible assets are amortised from the date they are available for use. All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The range of useful economic life for intangible assets is between 3 and 25 years.

The Company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

Intangible assets are tested for impairment in accordance with FRS 102 Section 27 Impairment of assets when there is an indication that an intangible asset may be impaired.

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## BAUER CONSUMER MEDIA LIMITED

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### Notes to the Financial Statements For the Year Ended 31 December 2020

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#### 2. Accounting policies (continued)

##### 2.7 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

##### 2.8 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

##### 2.9 Interest income

Interest income is recognised in profit or loss using the effective interest method.

##### 2.10 Pensions

###### Defined contribution pension plan

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

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

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## BAUER CONSUMER MEDIA LIMITED

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### Notes to the Financial Statements For the Year Ended 31 December 2020

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## 2. Accounting policies (continued)

### 2.11 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- the recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on:

- the differences between the fair values of assets acquired and the future tax deductions available for them; and
- the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

### 2.12 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

### 2.13 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

### 2.14 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

### 2.15 Cash at bank and in hand

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.



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## BAUER CONSUMER MEDIA LIMITED

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### Notes to the Financial Statements For the Year Ended 31 December 2020

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#### 2. Accounting policies (continued)

##### 2.16 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

##### 2.17 Financial instruments

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

##### 2.18 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

#### 3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the accounting policies and the reported amounts of assets, liabilities, income and expenses. These are continually assessed based on factors such as historical experience and likely outcome of future events. The following judgment and estimates have had the most significant effect on amounts recognised in the financial statements.

##### (a) Turnover

Revenue is recognised when the significant risks and rewards of ownership have been transferred to a third party, or services provided at the point when it is probable that the economic benefits will flow to the Company and when the amount of revenue can be reliably measured. Revenue is measured at the fair value of the consideration.

Magazine newsstand circulation and advertising revenue are recognised according to the on-sale date of publication. Pre-paid subscription revenues are shown as deferred income and released to the income statement over the life of the subscription.

Event income is recognised when the event has taken place.

##### (b) Impairment of investments

The carrying values of the Company are reviewed for impairment when there are indicators that the assets may be impaired. When testing for impairment, recoverable amounts are measured at their value in use by discounting the future expected cash flows from the investments.

##### (c) Impairment of debtors

The Company makes an estimate of the recoverable values of trade and other debtors. The current credit rating of the debtor, the ageing of the debt and historical experience of debtors are used by management in assessing impairment of trade and other debtors.

**BAUER CONSUMER MEDIA LIMITED**

**Notes to the Financial Statements  
For the Year Ended 31 December 2020**

**4. Turnover**

	<b>2020</b>	2019
	<b>£000</b>	£000
Advertising	<b>3,160</b>	4,550
Newsstand and subscriptions	<b>1,050</b>	1,163
Events	<b>523</b>	2,861
Other	<b>231</b>	402
	<b>4,964</b>	8,976

Analysis of turnover by country of destination:

	<b>2020</b>	2019
	<b>£000</b>	£000
United Kingdom	<b>4,943</b>	8,949
Rest of the world	<b>21</b>	27
	<b>4,964</b>	8,976

**5. Administrative expenses**

	<b>Continuing operations 2020 £000</b>	<b>Total 2020 £000</b>	<b>Continuing operations 2019 £000</b>	<b>Total 2019 £000</b>
Administrative expenses - trade	<b>3,528</b>	<b>3,528</b>	4,467	8,870
Administrative expenses - loss from impairment of fixed asset investments	<b>4,275</b>	<b>4,275</b>	-	1,008
	<b>7,803</b>	<b>7,803</b>	4,467	9,878

The Company incurred charges of £4,275,000 (2019: £1,008,000) in respect of a provision for the impairment of fixed asset investments (see note 13).

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**BAUER CONSUMER MEDIA LIMITED**

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**Notes to the Financial Statements  
For the Year Ended 31 December 2020**

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**6. Other operating income**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Government grants receivable	<b>55</b>	-
Loss on disposal of intangible assets	-	(131)
Other operating income	<b>44</b>	2,237
	<b>99</b>	2,106

The Company has received Coronavirus Job Retention Scheme grants from the UK government during 2020. These grants enabled the Company to retain staff focused on advertising and event activities that we were unable to undertake for long periods during 2020.

**7. Operating loss**

The operating loss is stated after charging:

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Amortisation of intangible assets	-	1,133
Exchange differences	<b>(126)</b>	1,332
Other operating lease rentals	<b>21</b>	112
Defined contribution pension cost	<b>85</b>	83
Impairment of fixed asset investments	<b>4,275</b>	-

Some operating leases refer to car leases and there are no commitments at the period end for future rentals.

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**BAUER CONSUMER MEDIA LIMITED**

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**Notes to the Financial Statements  
For the Year Ended 31 December 2020**

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**8. Employees**

Staff costs were as follows:

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	<b>1,874</b>	<b>1,948</b>
Social security costs	<b>197</b>	<b>204</b>
Cost of defined contribution scheme	<b>85</b>	<b>83</b>
	<b>2,156</b>	<b>2,235</b>

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

	<b>2020</b>	<b>2019</b>
	<b>No.</b>	<b>No.</b>
Sales	<b>38</b>	<b>35</b>
Editorial	<b>19</b>	<b>20</b>
	<b>57</b>	<b>55</b>

**9. Directors' remuneration**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Directors' remuneration - apportionment	<b>8</b>	<b>58</b>
	<b>8</b>	<b>58</b>

Directors' remuneration is borne by another group entity, H Bauer Publishing (2019: HBVB Management Limited and H Bauer Publishing). The amount of directors' remuneration attributable to services provided to Bauer Consumer Media Limited has been apportioned based on time spent.

The directors of the Company are considered its key management personnel.

**10. Interest receivable**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Other interest receivable	<b>35</b>	<b>249</b>
	<b>35</b>	<b>249</b>

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**BAUER CONSUMER MEDIA LIMITED**

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**Notes to the Financial Statements  
For the Year Ended 31 December 2020**

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**11. Taxation**

	<b>2020</b>	2019
	<b>£000</b>	£000
<b>Corporation tax</b>		
Current tax on profits for the year	(74)	287
Adjustments in respect of previous periods	1,345	(111)
<b>Total current tax</b>	<u>1,271</u>	<u>176</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	124
Adjustments in respect of previous periods	-	4
Changes to tax rates	-	(13)
<b>Total deferred tax</b>	<u>-</u>	<u>115</u>
<b>Taxation on profit on ordinary activities</b>	<u>1,271</u>	<u>291</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2019: lower than) the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%). The differences are explained below:

	<b>2020</b>	2019
	<b>£000</b>	£000
(Loss)/profit on ordinary activities before tax	<u>(2,179)</u>	<u>84,915</u>
(Loss)/ profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	(414)	16,134
<b>Effects of:</b>		
Non-tax deductible impairment	812	191
Adjustments to tax charge in respect of prior periods	1,345	(107)
Non-taxable income less expenses not deductible for tax purposes, other than impairment	(1)	337
Dividends from UK companies	(471)	(1,051)
Profit on sale of operations	-	(15,200)
Tax rate changes	-	(13)
<b>Total tax charge for the year</b>	<u>1,271</u>	<u>291</u>

**BAUER CONSUMER MEDIA LIMITED**

**Notes to the Financial Statements  
For the Year Ended 31 December 2020**

**11. Taxation (continued)**

**Factors that may affect future tax charges**

The statutory UK corporation tax rate is currently 19%, effective from 1 April 2017. Finance Bill 2021 enacted provisions to increase the main rate of UK corporation tax to 25% from 1 April 2023.

**12. Dividends**

	2020 £000	2019 £000
Interim dividend	5,000	231,004
	<u>5,000</u>	<u>231,004</u>

**13. Fixed asset investments**

	Investments in subsidiaries £000	Unlisted investments £000	Total £000
<b>Cost or valuation</b>			
At 1 January 2020	22,207	45	22,252
Disposals	(8,043)	-	(8,043)
At 31 December 2020	<u>14,164</u>	<u>45</u>	<u>14,209</u>
<b>Impairment</b>			
At 1 January 2020	12,807	45	12,852
Charge for the period	4,275	-	4,275
On disposals	(8,043)	-	(8,043)
At 31 December 2020	<u>9,039</u>	<u>45</u>	<u>9,084</u>
<b>Net book value</b>			
At 31 December 2020	<u>5,125</u>	<u>-</u>	<u>5,125</u>
At 31 December 2019	<u>9,400</u>	<u>-</u>	<u>9,400</u>

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**BAUER CONSUMER MEDIA LIMITED**

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**Notes to the Financial Statements  
For the Year Ended 31 December 2020**

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**13. Fixed asset investments (continued)****Direct subsidiary undertakings**

The following were subsidiary undertakings of the Company:

<b>Name</b>	<b>Class of shares</b>	<b>Holding</b>	<b>Principal activity</b>
Bauer Active Limited	Ordinary	100 %	Dormant, dissolved 25 February 2020
Bauer Automotive Limited	Ordinary	100 %	Dormant, dissolved 25 February 2020
Bauer East Limited	Ordinary	100 %	Dormant, dissolved 25 February 2020
Bauer London Lifestyle Limited	Ordinary	100 %	Dormant, dissolved 25 February 2020
Bauer Esprit Limited	Ordinary	100 %	Dormant, dissolved 3 March 2020
Bauer Pop Limited	Ordinary	100 %	Dormant, dissolved 25 February 2020
Horse Deals Limited	Ordinary	100 %	Dormant, dissolved 27 April 2021
Classiccarsforsale Limited	Ordinary	100 %	Dormant
Fishface Promotions Limited	Ordinary	100 %	Dormant
Frontline Limited	Ordinary (various classes)	72 %	Sales, marketing and distribution
Frontline Publishing Services Limited	Ordinary	100 %	Agency

**Indirect Subsidiary undertakings**

The following were subsidiary indirect undertakings of the Company:

<b>Name</b>	<b>Class of shares</b>	<b>Holding</b>	<b>Principal activity</b>
Seymour International Limited	Ordinary	72 %	Sales, marketing and distribution
Seymour Distribution Limited	Ordinary	72 %	Sales, marketing and distribution
USM Magazine Distribution Limited	Ordinary	72 %	Dormant
Routes to Retail Limited	Ordinary	72 %	Sales, marketing and distribution
Gold Key Media Limited	Ordinary	72 %	Sales, marketing and distribution

The registered office of all Direct subsidiary undertakings and Indirect subsidiary undertakings is the same as that of the Company: Media House, Peterborough Business Park, Lynch Wood, Peterborough, PE2 6EA.

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**BAUER CONSUMER MEDIA LIMITED**

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**Notes to the Financial Statements  
For the Year Ended 31 December 2020**

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**13. Fixed asset investments (continued)****Impairment tests for investments**

At 31 December 2020, the directors reviewed the carrying value of investments and considered there to be indicators of impairment in respect of Frontline Limited. The directors prepared detailed impairment assessments and concluded that a provision for impairment of £4,275,000 was necessary at 31 December 2020 (2019: £1,008,000 impairment of other investments due to the transfer of trade and assets to H Bauer Publishing at 31 December 2019).

In the opinion of the directors the value of investments is not less than the aggregate amount at which they are stated in the balance sheet.

**14. Stocks**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Raw materials and consumables	<b>5</b>	<b>3</b>
	<b>5</b>	<b>3</b>

In the opinion of the directors, the replacement value of stocks at 31 December 2020 and 31 December 2019 are not materially different from their book values at those dates.

**15. Debtors**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Trade debtors	<b>4,688</b>	<b>6,579</b>
Amounts owed by group undertakings	<b>1,472</b>	<b>11,890</b>
Other debtors	<b>78</b>	<b>763</b>
Prepayments and accrued income	<b>376</b>	<b>443</b>
	<b>6,614</b>	<b>19,675</b>

Trade debtors includes invoices issued on an agency basis on behalf of other group companies.

An amount of £136,000 (2019: £108,000) included in trade debtors relates to balances for which related parties (see note 21) are responsible for collecting the funds in an agency capacity.

All other amounts owed by other group undertakings are unsecured, interest free and repayable on demand.



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**BAUER CONSUMER MEDIA LIMITED**

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**Notes to the Financial Statements  
For the Year Ended 31 December 2020**

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**16. Creditors: Amounts falling due within one year**

	<b>2020</b>	2019
	<b>£000</b>	£000
Payments received on account	9,115	8,306
Trade creditors	160	182
Amounts owed to group undertakings	440	3,021
Corporation tax	-	189
Other taxation and social security	1,010	1,515
Other creditors	567	122
Accruals and deferred income	484	483
	<u>11,776</u>	<u>13,818</u>

Payments received on account includes payments received on behalf of other group companies on an agency basis.

**17. Deferred taxation**

	2019
	£000
At beginning of year	115
(Released) to profit or loss	(115)
<b>At end of year</b>	<u>-</u>

**18. Called up share capital**

	<b>2020</b>	2019
	<b>£000</b>	£000
<b>Allotted, called up and fully paid</b>		
423,931 (2019: 423,931) ordinary shares of £1.00 each	<u>424</u>	<u>424</u>

There is a single class of ordinary shares.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

There are no restrictions on the distribution of dividends and the repayment of capital.

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**BAUER CONSUMER MEDIA LIMITED**

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**Notes to the Financial Statements  
For the Year Ended 31 December 2020**

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**19. Discontinued operations in 2019**

Discontinued activities in 2019 comprises the Consumer magazine business and a portfolio of trademarks transferred to fellow group undertakings.

**20. Commitments under operating leases**

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

	<b>2020</b> <b>£000</b>	<b>2019</b> <b>£000</b>
<b>Land and buildings</b>		
Not later than 1 year	<b>646</b>	646
Later than 1 year and not later than 5 years	<b>795</b>	1,441
	<b>1,441</b>	<b>2,087</b>
	<b>2020</b> <b>£000</b>	<b>2019</b> <b>£000</b>
<b>Other</b>		
Not later than 1 year	<b>34</b>	148
	<b>34</b>	<b>148</b>

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## BAUER CONSUMER MEDIA LIMITED

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### Notes to the Financial Statements For the Year Ended 31 December 2020

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#### 21. Related party transactions

The Company received a dividend of £Nil from Frontline Limited (2019: £1,020,000). During the year, the Company paid carriage and net sundry costs of £30,000 (2019: £34,000) to Frontline Limited.

The distribution of the Company's magazines to newsstand is carried out on an agency basis by Frontline group undertakings consisting of Frontline Limited, a 72% subsidiary of the Company and Seymour International Limited, a 100% subsidiary of Frontline Limited. The debtor balances shown below consist of cash due from third party wholesalers in relation to copies sold at retail.

	2020 £000	2019 £000
<b>Included in trade debtors</b>		
Frontline Limited	131	103
Seymour International Limited	5	5
	<u>136</u>	<u>108</u>

#### 22. Controlling party

The immediate parent undertaking is HBVB, registered at Media House, Peterborough Business Park, Lynch Wood, Peterborough, PE2 6EA.

Heinrich Bauer Verlag KG, established at Burchardstraße 11, 20095 Hamburg, Germany, is regarded by the directors as the Company's ultimate controlling party.

The only parent undertaking for which group accounts are drawn up is Heinrich Bauer Verlag Beteiligungs GmbH, registered in Germany. Copies of Heinrich Bauer Verlag Beteiligungs GmbH accounts are publicly available from Burchardstraße 11, 20095 Hamburg, Germany.