

# **The Spectator (1828) Limited**

(Registered Number: 01232804)

## **Annual Report and Financial Statements**

**For the Year Ended 31 December 2019**



# The Spectator (1828) Limited

## Strategic Report for the year ended 31 December 2019 (registered number: 01232804)

### Review of business

Turnover has increased by 7% to £14,170,000 in 2019 (2018: £13,211,000). Circulation revenue growth has resulted from volume and price increases in subscriptions sales.

The profit before taxation is £666,000 (2018: profit £1,353,000). The directors recommend that no dividend is paid in the year (2018: nil) and that the profit for the financial year be transferred to reserves.

During 2019, the company invested significantly in its digital, marketing and editorial departments. It also continued to expand its operation in the USA. These investments have led to decreased short-term profits.

The net assets are £13,375,000 (2018: £12,895,000).

### Future developments

In 2020 and beyond the company plans to continue to grow turnover. It will continue development of its digital products in order to increase Circulation revenues from subscription sales. Spectator events will also continue to grow in both sponsorship and ticket sales revenues. In September 2019 the company launched a new monthly printed publication aimed at the US market.

### Covid-19

The performance of the company was impacted by Covid-19 in multiple ways. Newsstand copy sales fell by 20% as a number of stores in train stations and airports closed and advertising sales fell by 40% in Q2. This loss in turnover has been compensated by a 30% increase in subscriber numbers.

In the year to date turnover for 2020 is up 8% and the business has maintained its profitability.

### Key performance indicators ("KPIs")

The company's directors use performance indicators such as circulation levels, turnover and operating profit to assess the development, performance and position of the business.

The circulation KPIs are:

	2019 Number	2018 Number
Spectator - Average number of copies print and digital per issue	88,261	61,782*
- Average global unique user browsers per month	2,247,262	1,718,887
Apollo - Average number of copies per issue	3,787	3,373

\* This has been restated due to a change in policy in 2019 where print and digital copies are no longer counted twice.

# **The Spectator (1828) Limited**

## **Strategic Report for the year ended 31 December 2019 (Continued)**

### **Principal risks and uncertainties**

The company operates in a competitive marketplace. The management of the business and the execution of the company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the company are considered to relate to continued pressure on print copy sales and competitiveness in the print advertising market. In order to mitigate these factors the company is developing its digital products and events business.

In light of Covid-19 there are a number of extra risks and uncertainties. Advertising revenues could continue to be adversely affected as the economy struggles to recover. Art fairs which help promote Apollo Magazine might not resume until the middle of 2021. Live events may not be able to take place until 2021. In order to mitigate these risks, the company continues to manage its costs and grow its subscriptions business.

### **Financial risk management**

The directors consider that the company's key financial instruments are cash and intercompany balances with other group companies. Financial exposures exist to the extent that a change in the underlying base rate of interest will affect the level of income received or paid on any cash balances or overdrafts. As the business operates internationally, there is a small risk that the value of debtors and creditors could fluctuate as exchange rates change. This risk is not considered material and thus the company does not employ the use of hedging instruments.

On behalf of the board



R K Mowatt

**Director**

09 October 2020

# **The Spectator (1828) Limited**

## **Directors' Report for the year ended 31 December 2019 (registered number: 01232804)**

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2019.

Financial risks and financial risk management are discussed in the strategic report.

### **Principal activities**

The Company's principal activities are the publication of *The Spectator* and *Apollo* magazines and related digital products and events.

### **Directors and directors' interests**

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

A S Barclay  
H M Barclay  
R K Mowatt  
P L Peters  
M Seal

resigned 7 June 2019

### **Employees**

The Company has held regular meetings with representatives of its employees at which matters of concern to the employees have been discussed and at which the views of these representatives have been obtained. It is company policy to provide, wherever possible, the same employment opportunities to disabled persons as to others. In the event of an employee becoming disabled every effort would be made to ensure that employment with the Company continues and appropriate training is arranged.

### **Statement of directors' responsibilities in respect of the financial statements**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, 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

# **The Spectator (1828) Limited**

## **Statement of directors' responsibilities in respect of the financial statements (Continued)**

- 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 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.

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.

### **Directors' confirmations**

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the 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.

### **Disclosure of information to auditors**

In the case of each director in office at the date the Directors' Report is approved.

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the 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.

## The Spectator (1828) Limited

### Going concern

The Directors acknowledge that there are additional risks and uncertainties for the business arising from the impacts of Covid-19 as discussed in the strategic report. The company, in assessing going concern, has prepared a number of forward looking scenarios which included both a likely and worst case scenario to reflect the ongoing impact of Covid-19, including the positive effect on the subscriber base during 2020, close management of costs and the pressures on advertising income and events.

Based on this assessment of the company's liquidity position and cash flow projections, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Management review the impact of Covid-19 on a regular basis and update cash flow forecasts every month.

On behalf of the Board



R K Mowatt

**Director**

09 October 2020

# **The Spectator (1828) Limited**

## ***Independent auditors' report to the members of The Spectator (1828) Limited***

### **Report on the audit of the financial statements**

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#### **Opinion**

In our opinion, The Spectator (1828) Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 balance sheet as at 31 December 2019; the statement of comprehensive income, the statement of cash flows, 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.

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#### **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.

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#### **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.

# The Spectator (1828) Limited

## ***Independent auditors' report to the members of The Spectator (1828) Limited (Continued).***

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### **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 31 December 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.

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### **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 in respect of the financial statements set out on page 3 and 4, 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.

#### ***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](http://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.



# The Spectator (1828) Limited

## *Independent auditors' report to the members of The Spectator (1828) Limited (Continued).*

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### Other required reporting

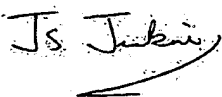
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#### Companies Act 2006 exception reporting

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.



Julian Jenkins (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
09 October 2020

# The Spectator (1828) Limited

## Statement of comprehensive income for the year ended 31 December 2019

	Note	2019 £'000	2018 £'000
<b>Turnover</b>	4	14,170	13,211
Cost of sales		(4,012)	(3,673)
<b>Gross profit</b>		<u>10,158</u>	<u>9,538</u>
Distribution costs		(2,708)	(2,297)
Administrative expenses		(6,783)	(5,881)
<b>Operating profit</b>		<u>667</u>	<u>1,360</u>
Interest receivable and similar income		-	1
Interest payable and similar expenses		(1)	(8)
<b>Profit before taxation</b>	5	<u>666</u>	<u>1,353</u>
Tax on profit	6	(186)	(296)
<b>Profit for the financial year</b>		<u>480</u>	<u>1,057</u>

The notes on pages 13 to 22 are an integral part of these financial statements.

All amounts relate to continuing operations.

There is no material difference between the profit before taxation and the profit for the financial year stated and their historical costs equivalents for the years stated above.

# The Spectator (1828) Limited

## Balance sheet as at 31 December 2019 (registered number 01232804)

	Note	2019 £'000	2018 £'000
<b>Fixed Assets</b>			
Intangible assets	7	501	197
Tangible assets	8	174	156
		<u>675</u>	<u>353</u>
<b>Current assets</b>			
Debtors	9	16,876	16,100
Cash at bank and in hand		453	555
		<u>17,329</u>	<u>16,655</u>
<b>Creditors - amounts falling due within one year</b>	10	<u>(4,629)</u>	<u>(4,113)</u>
Net current assets		<u>12,700</u>	<u>12,542</u>
<b>Total assets less current liabilities</b>		<u>13,375</u>	<u>12,895</u>
<b>Capital and reserves</b>			
Called up share capital	11	1,404	1,404
Capital contribution reserve		60	60
Retained earnings		11,911	11,431
<b>Total equity</b>		<u>13,375</u>	<u>12,895</u>

The notes on pages 13 to 22 are an integral part of these financial statements.

The financial statements on pages 9 to 22 were approved by the board of directors on 09 October 2020 and were signed on behalf of the board by:



R K Mowatt  
Director

# The Spectator (1828) Limited

## Statement of changes in equity for the year ended 31 December 2019

	Called up Share capital	Capital contribution reserve	Retained Earnings	Total equity
	£'000	£'000	£'000	£'000
At 1 January 2018	1,404	60	10,374	11,838
Profit for the financial year	-	-	1,057	1,057
<b>At 31 December 2018</b>	<b>1,404</b>	<b>60</b>	<b>11,431</b>	<b>12,895</b>
Profit for the financial year	-	-	480	480
<b>At 31 December 2019</b>	<b>1,404</b>	<b>60</b>	<b>11,911</b>	<b>13,375</b>

# The Spectator (1828) Limited

## Statement of cash flows for the year ended 31 December 2019

	Note	2019 £'000	2018 £'000
Operating profit		667	1,360
Depreciation	8	59	53
Amortisation	7	130	112
Gain from disposal of fixed assets		(3)	-
		<u>853</u>	<u>1,525</u>
Decrease in inventories		-	30
Increase in debtors	9	(776)	(811)
Increase/(decrease) in creditors	10	516	(354)
Taxation paid		(186)	(296)
<b>Net cash inflow from operating activities</b>		<u>407</u>	<u>94</u>
<b>Cash flow from financing activities</b>			
Interest Paid		-	(7)
<b>Net cash inflow from financing activities</b>		<u>-</u>	<u>(7)</u>
<b>Cash flow from investing activities</b>			
Purchase of tangible and intangible assets	7/8	(512)	(310)
Receipts from sale of tangible assets		3	-
<b>Net cash used in investing activities</b>		<u>(509)</u>	<u>(310)</u>
<b>Net decrease in cash and cash equivalents</b>		(102)	(223)
<b>Cash and cash equivalents at start of year</b>		555	778
<b>Cash and cash equivalents at end of year</b>		<u>453</u>	<u>555</u>
<b>Cash and cash equivalents are made up of:</b>			
Cash at bank and in hand		453	555

# **The Spectator (1828) Limited**

## **Notes to the financial statements for the year ended 31 December 2019**

### **1 General information**

The Spectator (1828) Limited ("the company") is a magazine publisher and events management business. This is a private company limited by shares, incorporated in the United Kingdom. The company's registered office is 22 Old Queen Street, London, SW1H 9HP, England.

### **2 Statement of compliance**

The financial statements of The Spectator (1828) Limited are prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

### **3 Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied in all the years presented, unless otherwise stated. The company has adopted FRS 102 in these financial statements.

#### **Basis of preparation**

The financial statements have been prepared under Generally Accepted Accounting Principles in the United Kingdom on a going concern basis and in accordance with Companies Act 2006 under the historical cost convention which has been consistently applied. The Directors have prepared detailed cash flow forecasts which are based on their current expectations of trading prospects. The forecasts have been prepared over a period of at least 12 months from the date of approval of the financial statements and the directors are confident that the Company will continue in operational existence for the foreseeable future and will be able to meet its liabilities as they fall due. Accordingly, the Directors have concluded that it is appropriate to continue to adopt the going concern basis in preparing these financial statements.

#### **Foreign currencies**

Transactions in foreign currencies are recorded at the rate ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

#### **Turnover**

Turnover represents sales to third parties of magazines, advertising space both in print and online, tickets sales and sponsorship of events as well as related goods and services and is stated net of commissions and trade discounts, and excludes value-added tax and other sales taxes in the UK. Magazine and advertising revenue is recognised on the date of publication.

Amounts billed to clients are recorded in trade debtors less any provision for impairment. To the extent that fees paid on account relate to future revenues, they are included in deferred revenue. Unbilled fees are recorded at estimated billable amounts less amounts provided for any unrecoverable amounts.

# **The Spectator (1828) Limited**

## **Notes to the financial statements for the year ended 31 December 2019 (continued)**

### **3 Summary of significant accounting policies (continued)**

#### **Tangible assets and depreciation**

Tangible fixed assets are stated at cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation is calculated to write off the cost on a straight line basis over the expected useful economic lives of the assets which are as follows:

Fixtures and fittings	3-10 years
Equipment	2-5 years
Leasehold improvements	4-10 years

#### **Intangible assets and amortisation**

Intangible fixed assets are stated at cost less accumulated amortisation. Costs include the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Amortisation is calculated to write off the cost on a straight line basis over the expected useful economic lives of the assets which are as follows:

Computer Software	2-10 years
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#### **Short-term Debtors and Creditors**

Debtor and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in administrative expenses.

#### **Inventories**

Inventories are valued at the lower of cost and net realisable value on a first in first out basis.

# **The Spectator (1828) Limited**

## **Notes to the financial statements for the year ended 31 December 2019 (continued)**

### **3 Summary of significant accounting policies (continued)**

#### **Taxation**

##### *Current tax*

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

##### *Deferred tax*

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

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

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

#### **Cost of sales**

Cost of sales represents expenditure for producing the magazine, generating advertising sales both physical and digital, and fulfilling events.

#### **Pensions**

The company operates a defined contribution pension scheme and contributions to the scheme are charged to the company's profit and loss account as the company's obligation to pay arises.



# **The Spectator (1828) Limited**

## **Notes to the financial statements for the year ended 31 December 2019 (continued)**

### **3 Summary of significant accounting policies (continued)**

#### **Related party transactions**

As all of the company's voting rights are controlled by B.UK Limited and it is a wholly owned subsidiary, the company has taken advantage of the exemption contained in FRS 102 para.33.1A and has therefore not disclosed transactions or balances with entities which are wholly owned within the same group but disclose transactions with other related parties.

#### **Operating leases**

Rental costs arising under operating leases are charged to the profit and loss account over the life of the lease.

#### **Cash and cash equivalents**

Cash and cash equivalents include cash in hand and deposits held at call with banks. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

#### **Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

#### **Interest income**

Interest income is recognised in the statement of comprehensive income using the effective interest method.

#### **Finance costs**

Finance costs are charged to the statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

#### **Expenses**

Expenses are accounted for on an accruals basis.

#### **Provisions and contingencies**

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably. Where legal claims arise, the company recognises provisions for legal costs where necessary.

# The Spectator (1828) Limited

## Notes to the financial statements for the year ended 31 December 2019 (continued)

### 3 Summary of significant accounting policies (continued)

#### Key accounting estimates and assumptions

The company makes estimate and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

#### *Newstrade Sales*

Provisions are made for newstrade sales that take place within the final five weeks of the financial year. These are based on trends over previous years and managements analysis of the current year's sales.

### 4 Turnover

	2019 £'000	2018 £'000
Turnover by destination		
United Kingdom	13,129	12,334
Australia	1,041	877
	<u>14,170</u>	<u>13,211</u>

### 5 Profit before taxation

	2019 £'000	2018 £'000
The profit before taxation is stated after charging:		
Employee costs	3,637	3,241
Operating lease charges on land and buildings	305	305
Operating lease charges on plant and machinery	18	16
Depreciation	59	53
Amortisation	130	112
Auditors' remuneration for:		
Audit fees	<u>35</u>	<u>26</u>

# The Spectator (1828) Limited

## Notes to the financial statements for the year ended 31 December 2019 (continued)

### 6 Tax on profit

	2019 £'000	2018 £'000
Current tax		
UK Corporation tax on profit for the financial year	186	296
<b>Tax on profit</b>	<b>186</b>	<b>296</b>
The tax assessed for the period is higher than (2018 – higher than) the standard rate of corporation tax in the UK of 19% (2018: 19%). The differences are explained below:		
<b>Profit before taxation</b>	<b>666</b>	<b>1,353</b>
Profit before taxation multiplied by standard rate in the UK: 19% (2018: 19%)	127	257
Effects of:		
Expenses not deductible for tax	38	31
Capital allowances in excess of depreciation	21	8
<b>Total taxation</b>	<b>186</b>	<b>296</b>

There is a potential deferred tax asset not recognised due to accelerated capital allowances of £32,000 (2018: £35,000).

# The Spectator (1828) Limited

## Notes to the financial statements for the year ended 31 December 2019 (continued)

### 7 Intangible assets

	<b>Computer Software £'000</b>
<b>Historical Cost:</b>	
At 1 January 2019	585
Additions	434
<b>At 31 December 2019</b>	<b>1,019</b>
<b>Accumulated amortisation:</b>	
At 1 January 2019	388
Charge for the year	130
<b>At 31 December 2019</b>	<b>518</b>
<b>Net book value:</b>	
<b>At 31 December 2019</b>	<b>501</b>
At 31 December 2018	197

### 8 Tangible assets

	<b>Leasehold Improvements £'000</b>	<b>Equipment £'000</b>	<b>Fixtures and Fittings £'000</b>	<b>Total £'000</b>
<b>Historical Cost:</b>				
At 1 January 2019	163	240	123	526
Additions	32	45	-	77
Disposals	-	-	(5)	(5)
<b>At 31 December 2019</b>	<b>195</b>	<b>285</b>	<b>118</b>	<b>598</b>
<b>Accumulated depreciation:</b>				
At 1 January 2019	121	194	55	370
Charge for the year	9	33	17	59
Disposals	-	-	(5)	(5)
<b>At 31 December 2019</b>	<b>130</b>	<b>227</b>	<b>67</b>	<b>424</b>
<b>Net book value:</b>				
<b>At 31 December 2019</b>	<b>65</b>	<b>58</b>	<b>51</b>	<b>174</b>
At 31 December 2018	42	46	68	156

# The Spectator (1828) Limited

## Notes to the financial statements for the year ended 31 December 2019 (continued)

### 9 Debtors

	2019	2018
	£'000	£'000
Trade debtors	931	994
Amounts owed by group undertakings	15,236	14,582
Other debtors	59	66
Prepayments and accrued income	650	458
	<u>16,876</u>	<u>16,100</u>

The amounts owed by the parent company and group undertakings are unsecured, interest free, have no fixed terms for repayment and are repayable on demand. There are currently no intentions to seek repayment of the balances.

### 10 Creditors - amounts falling due within one year

	2019	2018
	£'000	£'000
Trade creditors	645	203
Corporation tax	186	296
Other taxation and social security	98	78
Accruals and deferred income	3,700	3,536
	<u>4,629</u>	<u>4,113</u>

### 11 Called up share capital

	2019	2018
	£'000	£'000
<b>Authorised:</b>		
1,700,000 (2018: 1,700,000) Ordinary shares of £1 each	<u>1,700</u>	<u>1,700</u>
<b>Allotted and fully paid:</b>		
1,403,968 (2018: 1,403,968) Ordinary shares of £1 each	<u>1,404</u>	<u>1,404</u>

# The Spectator (1828) Limited

## Notes to the financial statements for the year ended 31 December 2019 (continued)

### 12 Employee information

#### (a) Directors' emoluments

In 2019 and 2018 the directors were remunerated by other Group companies in respect of services rendered to the company. No re-charges were made to the company for these services.

#### b) Average monthly number of persons employed

	2019	2018
	Number	Number
By activity:		
Editorial	24	23
Selling, distribution and administration	41	38
	<u>65</u>	<u>61</u>

#### c) Employee costs

	2019	2018
	£'000	£'000
Wages and salaries	3,172	2,844
Social security costs	334	299
Other pension costs	131	98
	<u>3,637</u>	<u>3,241</u>

### 13 Pensions

The company operates a defined contribution scheme and contributions to the scheme are charged to the company's profit and loss account as the company's obligation to pay arises. As at year end 2019 there was no liability (2018: £nil).

### 14 Operating lease commitments

The company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2019	2018
	£'000	£'000
Payments due:		
Not later than one year	323	293
Later than one year and not later than five years	1,273	1,169
Later than five years	609	826
	<u>2,205</u>	<u>2,288</u>

# **The Spectator (1828) Limited**

## **Notes to the financial statements for the year ended 31 December 2019 (continued)**

### **15 Related party transactions**

#### *Rent*

The company paid rent to Spectator Properties Ltd. Costs of £366,000 (2018: £366,000) were recognised. No amounts were outstanding at year end (2018: £Nil)

#### *Management Fees*

The company paid management fees to St James's Street Property Management. Costs of £21,000 were recognised. At the year-end £3,500 (2018: £Nil) was outstanding and included within accounts payable.

### **16 Ultimate controlling party**

The immediate holding company is May Corporation Limited, a company incorporated in Jersey, Channel Islands. The Directors regard the company as being ultimately controlled by the Sir David and Sir Frederick Barclay Family Settlements.

B.UK Limited, a company incorporated in Bermuda, is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 December 2019. Press Holdings Limited incorporated in Jersey is the smallest group of undertakings to consolidate these financial statements.

### **17 Post balance sheet events (non-adjusting) COVID-19**

COVID-19 has had an unprecedented impact on global economies and an adverse effect on the company's financial results and trading post year end for newtrade sales, advertising and events. This has been offset by higher than expected growth in subscriptions and a number of cost savings. The directors will continue to monitor the situation closely. Please refer to the strategic report which provides further information on the impact of COVID-19 on the company.