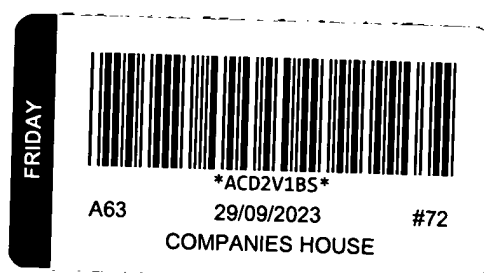


THE SPECTATOR (1828) LIMITED

REGISTERED NUMBER: 01232804

**THE SPECTATOR (1828) LIMITED**  
(REGISTERED NUMBER: 01232804)  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**



THE SPECTATOR (1828) LIMITED

REGISTERED NUMBER: 01232804

## COMPANY INFORMATION

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### DIRECTORS

S H Welch  
B C Wentink

### REGISTERED OFFICE

22 Old Queen Street  
London  
SW1H 9HP

### REGISTERED NUMBER

01232804

### INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP  
Chartered accountants and statutory auditors  
1 Embankment Place  
London  
WC2N 6RH

### COUNTRY OF INCORPORATION

England & Wales

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## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2022

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The directors present their Strategic Report of The Spectator (1828) Limited ("the Company") together with its subsidiary (collectively, the "Group"), for the year ended 31 December 2022.

#### Principal activities and review of the business

The principal activities of the Company, a private company limited by shares, and of the Group, are as a multi-platform content publisher. The titles operating under the Group include The Spectator, The Spectator Australia, The Spectator World and Apollo Magazine. Such brands include formats across print, website, app and some third-party platforms.

The Group continues to concentrate on growing its subscription base as well as improving its digital infrastructure. It invested significantly in 2022 across its website, mobile app and subscription platforms to improve the quality of service to existing subscribers and new visitors.

In 2022, consolidated turnover was £20.8m (2021: £20.3m), the increase largely attributed to commercial revenue growth. Circulation revenue remained flat at £16.3m (2021: £16.3m), as focus was concentrated on maintaining the subscriber base whilst improving the digital infrastructure. Non-circulation revenue grew by 13% to £4.5m in 2022 (2021: £4.0m) driven by increasing advertising yields and expanding our events and broadcast offerings.

Consolidated profit before taxation decreased to £2.6m in 2022 (2021: £2.9m); the decline was due to increased headcount and costs associated with the Group's US expansion. On 22 December 2022, the former Directors recommended and paid a dividend of 110 pence per share, in total £1.88m (2021: nil). As at 31 December 2022, the Group has a net asset balance of £16.6m (2021: £16.7m).

Company EBITDA for 2022 was £4.8m.

#### Key performance indicators (KPIs)

The Group's Directors monitor the financial and non-financial performance through a series of KPIs, including:

	2022	2021
<b>Financial</b>		
Consolidated Turnover	£20.8m	£20.3m
Consolidated EBITDA	£2.9m	£3.2m
Consolidated Profit before taxation	£2.6m	£2.9m
<b>Non-Financial</b>		
Average number of print and digital copies per issue	130k	130k*
Average global website unique users per month	3.3m	2.9m

\*The average number of print and digital copies per issue in 2021 were 118k, which excluded the US.

## STRATEGIC REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

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A reconciliation of operating profit to EBITDA is as follows:

	2022
Operating profit	£2.6m
Depreciation & Amortization	£0.3m
EBITDA	£2.9m

#### Future developments

The Group remains wholly committed to delivering high-quality journalism across all print and digital platforms.

The Group expects the publishing market to continue to remain challenging, especially as many new titles have entered the market over the last few years. The Group continues to monitor regulatory developments, most notably around GDPR changes and the tracking of cookies; the Group is focusing on its first-party data strategy - by investing in data tools and storage to avoid reliance on tracked third-party data.

In 2023 and beyond the Group plans to continue to grow turnover and subscription volumes. The ongoing focus will be on digital enhancements, across both its websites and mobile apps, to improve the user experience. There will also be continuing efforts to maintain print circulation and advertising revenues in a declining market.

#### Principal risks and uncertainties

The Group operates in a competitive marketplace. The management of the business and the execution of the Group's strategy is subject to several risks. Key business risks and uncertainties affecting the Group include continued pressure on print copy sales and competition in the print advertising market. To mitigate these risks the Group continues to enhance its digital products.

The Group acknowledges the current period of heightened economic uncertainty, where consumer confidence and spending has been hit by a cost-of-living crisis, interest rate rises and the effects of the ongoing war in Ukraine; the Group continuously monitors these economic risk factors, considering their implication on business direction and adapting accordingly.

#### Financial risk management

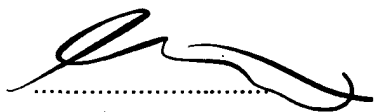
The Directors consider that the Group's key financial instruments are cash and intercompany balances with other group companies. Financial exposure exists to the extent that a change in the underlying base rate of interest will affect the level of income received or paid on any cash balances or overdrafts. 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 Group does not employ the use of hedging instruments.

Liquidity risk arises from timing differences between cash inflows and outflows. These risks are managed through maintaining adequate credit facilities. It is standard policy to maintain sufficient cash balances and committed facilities to meet anticipated future requirements. These resources, together with the expected future cash flows to be generated by the business, are regarded as sufficient to meet the anticipated future funding requirements of the Group for at least the next twelve months from the date of signing the financial statements.

**STRATEGIC REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

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On behalf of the board

A handwritten signature in black ink, appearing to read 'S H Welch', written over a horizontal dotted line.

S H Welch  
**Director**  
26 September 2023

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2022**

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The Directors present their report and the audited financial statements of the Group and the Company for the year ended 31 December 2022.

Financial risks and financial risk management, future developments and dividends are discussed in the Strategic Report.

#### **Directors**

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

S H Welch (appointed 7 June 2023)  
B C Wentink (appointed 7 June 2023)  
P L Peters (resigned 7 June 2023)  
R K Mowatt (resigned 7 June 2023)  
H M Barclay (resigned 7 June 2023)  
A S Barclay (resigned 7 June 2023)

The Group has entered into qualifying third-party indemnity arrangements for the benefit of its current Directors, which were in force at the approval date of the financial statements.

#### **Post Balance Sheet Events**

The Group's immediate holding company is May Corporation Limited, a company incorporated in Jersey, Channel Islands. The Directors understand that May Corporation Limited's ultimate shareholder is Sir David and Sir Frederick Barclay Family Settlements. The Directors do not consider the ultimate beneficial owners of the Group to have changed but it noted that Mr Alastair Beveridge and Mr Benjamin Browne of AlixPartners Services UK LLP were appointed as Receivers ("the Receivers") over the shares of B.UK. Limited on 15 May 2023. The Group and May Corporation Limited are each indirect subsidiaries of B.UK. Limited. The Receivers control the voting rights in respect of the shares of B.UK. Limited and therefore have indirect shareholder control of the Group, should they choose to exercise it.

The Receivers' appointment over the shares in B.UK. Limited is in no way related to the financial health or performance of The Spectator (1828) Limited and the day to day running of all operating subsidiaries held by B.UK. Limited will continue as normal.

#### **Results and dividends**

The profit for the year and dividends declared are set out in the Strategic Report on page 2 - 4.

#### **Employees**

The Group has systems in place where matters of concern to the employees are regularly discussed. It is Group 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 Group can continue, where possible, and that appropriate training is arranged.

## **DIRECTORS' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 DECEMBER 2022**

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#### **Going concern**

The financial statements have been prepared under the going concern assumption and the basis is set out in note 3.3 to the financial statements.

In line with the Companies Act 2006 the Directors have undertaken an exercise to review the appropriateness of the continued use of the going concern basis.

On 15 May 2023, Bank of Scotland, pursuant to the terms of a share charge securing a loan to Penultimate Investment Holdings Limited ("PIHL"), a holding company within the PIHL Group which indirectly owns The Spectator (1828) Limited and its subsidiary Spectator Inc., appointed Mr Alastair Beveridge and Mr Benjamin Browne of AlixPartners Services UK LLP as Receivers of the shares of B.UK Limited owned by PIHL. Following their appointment, the Receivers initiated change to the board of B.UK Limited. In turn, the Directors to the board of B. UK Limited initiated changes to the boards of The Spectator (1828) Limited Independent Directors, Stephen Welch and Boudewijn Wentink were appointed to the boards of The Spectator (1828) Limited. Aidan Barclay, Howard Barclay, Rigal Mowatt and Philip Peters were removed as Directors of The Spectator (1828) Limited. There are no changes to the board of Spectator Inc.

Since the appointment of Receivers and changes in Directors, the Company has continued to trade in the normal course, in line with management's profit and cash flow forecasts.

In preparing the financial statements the Directors have considered the Company's ability to meet its debts as they fall due for a period of at least 12 months from the approval of the financial statements, especially in light of the current economic uncertainty associated with various factors including high inflation, pressures on household finances and increased energy costs. Given the current economic uncertainty referred to above a severe but plausible downside has been considered as follows:

- a potential severe downturn in UK revenue of 20% reduction in revenue and 36% reduction in UK EBITDA pre-exceptionals compared to 2023 reforecast however, the ongoing and successful implementation of the subscription-first strategy reduces the dependence on variable advertising and commerce revenues, offset by associated reductions in variable costs; and
- In assessing this severe but plausible downside scenario, the Directors also considered potential mitigating actions within their control, such as removing growth related hires restricting capital expenditure and working capital management.

This would not impact the going concern assessment. The Directors are comfortable there is sufficient headroom in liquidity and covenants throughout the going concern period.

Based upon the above, the Directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least 12 months from the date of these financial statements. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

However, the Directors are exploring their options, including the option of a potential sale of the Company, at the date of the approval of the financial statements. The Directors are not aware of any current concerns regarding the ability of the Company to operate as a going concern after a potential sale. But the fact that the Directors do not have information about the identity or future plans of potential new owners, including any financing arrangements, indicates a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. Notwithstanding this uncertainty, the Directors are satisfied that the going concern



## **DIRECTORS' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 DECEMBER 2022**

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basis remains appropriate for the preparation of the Company's financial statements. The financial statements do not include adjustments that would result if the Company was unable to continue as a going concern.

#### **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, 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 Group and Company and of the profit or loss of the group 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
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

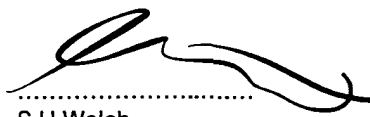
#### **Directors' confirmations**

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 Group and Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Group and Company's auditors are aware of that information.

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the next board meeting.

On behalf of the board

A handwritten signature in black ink, appearing to be 'S H Welch', written over a dotted line.

S H Welch

**Director**

26 September 2023

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SPECTATOR (1828) LIMITED**

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

### **Opinion**

In our opinion, The Spectator (1828) Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2022 and of the group's and company's profit and the group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including 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, which comprise: Consolidated and Company Balance Sheet as at 31 December 2022; Consolidated Statement of Comprehensive Income, Consolidated and Company Statement of Change in Equity and Consolidated Statement of Cash Flows 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 group 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.

### **Material uncertainty related to going concern**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 3.3 to the financial statements concerning the group's and the company's ability to continue as a going concern. As explained in note 3.3, B.UK Limited, a holding company within the Penultimate Investment Holdings Limited (PIHL) Group which indirectly owns The Spectator (1828) Limited and its subsidiary Spectator Inc has been placed into receivership. Following their appointment, the Receivers initiated changes to the Board of certain subsidiaries. New independent Directors have been appointed to the board of The Spectator (1828) Limited replacing the existing directors. At the date of approving the financial statements the new Directors are exploring options which include the potential sale of the company. The Directors are not aware of any current concerns regarding the ability of the company to operate as a going concern after a potential sale, however, they do not have information about the identity or future plans, including any financing arrangements, of the potential new owners. These conditions, along with the other matters explained in note 3.3 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the group's and the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the group and the company were unable to continue as a going concern.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

## 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 Director's report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

## Strategic report and Director's report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Director's report for the year ended 31 December 2022 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 group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Director's 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 group's and 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 group or 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.

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

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK and US tax legislation, data protection and the Editors' Code of Practice, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct

impact on the financial statements such as Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate reported results and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Making enquiries with management, including consideration of known or suspected instances of non-compliance with laws and regulations;
- Challenging assumptions and judgements made by management in significant accounting estimates and;
- Testing unusual or unexpected journal entries, particularly those impacting revenue

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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.

## 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 obtained 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 company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Andy Grimbly (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

London

26 September 2023

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

### FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £'000	As restated 2021 £'000
Turnover	6	20,804	20,302
Cost of sales		(7,559)	(7,055)
<b>Gross profit</b>		<u>13,245</u>	<u>13,247</u>
Distribution costs		(3,757)	(3,829)
Administrative expenses		(6,876)	(6,476)
<b>Operating profit</b>		<u>2,612</u>	<u>2,942</u>
Interest receivable and similar income		1	-
Interest payable and similar expenses		(1)	(1)
<b>Profit before taxation</b>	7	<u>2,612</u>	<u>2,941</u>
Tax on profit	8	(830)	(791)
<b>Profit for the financial year</b>		<u>1,782</u>	<u>2,150</u>

Profit for the financial year is all attributable to the owners of the parent company.

Further information on the restatements that have occurred as a result of prior year adjustments is provided in note 4.

The above results are derived from continuing operations; there is no other comprehensive income for the Group.

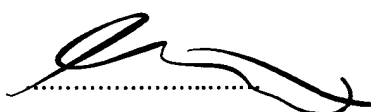
The notes on pages 18 to 33 form an integral part of these financial statements.

# **CONSOLIDATED BALANCE SHEET** **AS AT 31 DECEMBER 2022**

	Notes	2022 £'000	2021 £'000
<b>Fixed assets</b>			
Intangible assets	9	624	537
Tangible assets	10	229	155
		<u>853</u>	<u>692</u>
<b>Current assets</b>			
Debtors	13	20,360	20,648
Cash at bank and in hand		227	1,752
		<u>20,587</u>	<u>22,400</u>
Creditors: amounts falling due within one year	14	(4,820)	(6,374)
<b>Net current assets</b>		<u>15,767</u>	<u>16,026</u>
<b>Total assets less current liabilities</b>		<u>16,620</u>	<u>16,718</u>
<b>Capital and reserves</b>			
Called up share capital	15	1,404	1,404
Capital contribution reserve		60	60
Retained earnings		15,156	15,254
<b>Total equity</b>		<u>16,620</u>	<u>16,718</u>

The notes on pages 18 to 33 form an integral part of these financial statements.

The financial statements on pages 12 to 33 were approved by the board of Directors on 26 September 2023 and are signed on its behalf by:



S H Welch  
**Director**  
 26 September 2023

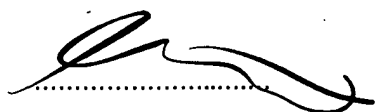
## COMPANY BALANCE SHEET

### AS AT 31 DECEMBER 2022

	Notes	2022 £'000	2021 £'000
<b>Fixed assets</b>			
Intangible assets	9	624	537
Tangible assets	10	229	155
Investment in subsidiary	11	-	-
		<u>853</u>	<u>692</u>
<b>Current assets</b>			
Debtors	13	20,283	20,648
Cash at bank and in hand		127	1,752
		<u>20,410</u>	<u>22,400</u>
Creditors: amounts falling due within one year	14	(4,496)	(6,374)
<b>Net current assets</b>		<u>15,914</u>	<u>16,026</u>
<b>Total assets less current liabilities</b>		<u>16,767</u>	<u>16,718</u>
<b>Capital and reserves</b>			
Called up share capital	15	1,404	1,404
Capital contribution reserve		60	60
Retained earnings		15,303	15,254
<b>Total equity</b>		<u>16,779</u>	<u>16,718</u>

As permitted by s408 Companies Act 2006, the Company has not presented its own profit and loss account and related notes. The Company's profit for the financial year was £1.9m (2021: £2.2m).

The financial statements on pages 12 to 33 were approved by the board of Directors on 26 September 2023 and are signed on its behalf by:



S H Welch  
Director  
26 September 2023



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

### FOR THE YEAR ENDED 31 DECEMBER 2022

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	Called up share capital	Capital contribution reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000
<b>Balance at 1 January 2021</b>	<b>1,404</b>	<b>60</b>	<b>13,104</b>	<b>14,568</b>
<b>Year ended 31 December 2021:</b>				
Profit and total comprehensive income for the year	-	-	2,150	2,150
<b>Balance at 31 December 2021</b>	<b>1,404</b>	<b>60</b>	<b>15,254</b>	<b>16,718</b>
<b>Year ended 31 December 2022:</b>				
Profit and total comprehensive income for the year	-	-	1,782	1,782
Dividend	-	-	(1,880)	(1,880)
<b>Balance at 31 December 2022</b>	<b>1,404</b>	<b>60</b>	<b>15,156</b>	<b>16,620</b>

# COMPANY STATEMENT OF CHANGES IN EQUITY

## FOR THE YEAR ENDED 31 DECEMBER 2022

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	Called up share capital	Capital contribution reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000
<b>Balance at 1 January 2021</b>	<b>1,404</b>	<b>60</b>	<b>13,104</b>	<b>14,568</b>
<b>Year ended 31 December 2021:</b>				
Profit and total comprehensive income for the year	-	-	2,150	2,150
<b>Balance at 31 December 2021</b>	<b>1,404</b>	<b>60</b>	<b>15,254</b>	<b>16,718</b>
<b>Year ended 31 December 2022:</b>				
Profit and total comprehensive income for the year	-	-	1,929	1,929
Dividend	-	-	(1,880)	(1,880)
<b>Balance at 31 December 2022</b>	<b>1,404</b>	<b>60</b>	<b>15,303</b>	<b>16,767</b>

# **CONSOLIDATED STATEMENT OF CASH FLOWS** **FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	2022 £'000	2021 £'000
<b>Cash flows from operating activities</b>			
Operating profit		2,612	2,942
Tax on profit		(830)	(791)
Depreciation	10	65	65
Amortisation	9	261	175
Impairment of intangible assets	9	546	-
Decrease/(increase) in debtors		320	(2,439)
(Decrease)/increase in creditors		(1,555)	1,002
FX gain/(loss)		(65)	-
<b>Net cash inflow from operating activities</b>		<u>1,354</u>	<u>954</u>
<b>Cash flow from financing activities</b>			
Interest paid		(1)	(1)
Interest received		1	-
Dividend paid		(1,880)	-
<b>Net cash outflow from financing activities</b>		<u>(1,880)</u>	<u>(1)</u>
<b>Cash flow from investing activities</b>			
Purchase of tangible and intangible assets		(999)	(210)
<b>Net cash outflow from investing activities</b>		<u>(999)</u>	<u>(210)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>		(1,525)	743
Cash and cash equivalents at start of the year		1,752	1,009
<b>Cash and cash equivalents at end of the year</b>		<u>227</u>	<u>1,752</u>

The Company is a qualifying entity of the Group, therefore, is exempt from filing a statement of cash flows through the reduced disclosure framework (FRS 102, paras 1.8 to 1.13).

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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### 1 Company information

The Company, together with its subsidiary The Spectator (1828) Inc., operate as a multi-platform content publisher and events management business. The Company's registered office is 22 Old Queen Street, London, SW1H 9HP, England.

### 2 Statement of compliance

The financial statements of the Group and the Company 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

#### 3.1 Accounting convention

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

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group and the Company 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 disclosed in note 5.

The financial statements are prepared in sterling, which is the functional currency of the Group and the Company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on a going concern basis under the historical cost convention. The accounting policies have been applied consistently, other than where new policies have been adopted. The principal accounting policies adopted are set out below.

The Company has taken advantage of the exemption in section 408 of the Companies Act from presenting its individual profit and loss account.

#### 3.2 Basis of consolidation

The consolidated financial statements incorporate those of the Company and its subsidiary The Spectator (1828) Inc., which the Company wholly owns and controls through its power to govern the financial and operating policies so as to obtain economic benefits.

All Group financial statements are made up to 31 December 2022. All intra-group transactions, balances, and unrealised gains on transactions between the Group companies are eliminated on consolidation.

The Spectator (1828) Inc has been included in these Group financial statements using the merger method of accounting. Accordingly, the Group profit and loss account and statement of cash flows include the results and cash flows of The Spectator (1828) Inc for the year ended 31 December 2022.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

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

#### 3.3 Going concern

The financial statements have been prepared under the going concern assumption and the basis is set out below.

In line with the Companies Act 2006 the Directors have undertaken an exercise to review the appropriateness of the continued use of the going concern basis.

On 15 May 2023, Bank of Scotland, pursuant to the terms of a share charge securing a loan to Penultimate Investment Holdings Limited ("PIHL"), a holding company within the PIHL Group which indirectly owns The Spectator (1828) Limited and its subsidiary Spectator Inc, appointed Alastair Beveridge and Ben Browne of AlixPartners as Receivers of the shares of B.UK Limited owned by PIHL. Following their appointment, the Receivers initiated change to the board of B.UK Limited. In turn, the Directors to the board of B. UK Limited initiated changes to the boards of The Spectator (1828) Limited. Independent Directors, Stephen Welch and Boudewijn Wentink were appointed to the boards of The Spectator (1828) Limited. Aidan Barclay, Howard Barclay, Rigal Mowatt and Philip Peters were removed as Directors of The Spectator (1828) Limited. There are no changes to the board of Spectator Inc.

Since the appointment of Receivers and changes in Directors, the Company has continued to trade in the normal course, in line with management's profit and cash flow forecasts.

In preparing the financial statements the Directors have considered the Company's ability to meet its debts as they fall due for a period of at least 12 months from the approval of the financial statements, especially in light of the current economic uncertainty associated with various factors including high inflation, pressures on household finances and increased energy costs. Given the current economic uncertainty referred to above a severe but plausible downside has been considered as follows:

- a potential severe downturn in UK revenue of 20% reduction in revenue and 36% reduction in UK EBITDA pre-exceptionals compared to 2023 reforecast however, the ongoing and successful implementation of the subscription-first strategy reduces the dependence on variable advertising and commerce revenues, offset by associated reductions in variable costs; and
- In assessing this severe but plausible downside scenario, the Directors also considered potential mitigating actions within their control, such as removing growth related hires, restricting capital expenditure and working capital management.

This would not impact the going concern assessment. The Directors are comfortable there is sufficient headroom in liquidity and covenants throughout the going concern period.

Based upon the above, the Directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least 12 months from the date of these financial statements. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

However, the Directors are exploring their options, including the option of a potential sale of the Company, at the date of the approval of the financial statements. The Directors are not aware of any current concerns regarding the ability of the Company to operate as a going concern after a potential sale. But the fact that the Directors do not have information about the identity or future plans of potential new owners, including any financing

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

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arrangements, indicates a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. Notwithstanding this uncertainty, the Directors are satisfied that the going concern basis remains appropriate for the preparation of the Company's financial statements. The financial statements do not include adjustments that would result if the Company was unable to continue as a going concern.

#### 3.4 Foreign currencies

Transactions in foreign currencies are recorded at the spot rate at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange at the balance sheet date and the gains or losses on translation are included in the statement of comprehensive income.

At each financial year 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.

Foreign exchange gains and losses resulting from the settlement of the transactions and from the translation at the financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

#### 3.5 Turnover

Turnover represents sales to third parties of magazines and advertising space both in print and online in the month that the advertisement runs, with ticket sales and sponsorship of events recognised at the date the event is held as well as related goods and services and is stated net of commissions, trade discounts and excludes value-added tax and other sales taxes in the UK and US. 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.

#### 3.6 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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

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

#### 3.7 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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#### 3.8 Investments in subsidiaries

Investments in subsidiary companies are included in the financial statements at cost unless there is evidence of impairment in value when they are written down to the estimated recoverable amount.

#### 3.9 Debtors and Creditors

Debtors 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.

#### 3.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### *Current tax*

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

Management periodically evaluate 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.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

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

#### 3.11 Cost of sales

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

#### 3.12 Pensions

The Group operates a defined contribution pension scheme and contributions to the scheme are charged to the Group's statement of comprehensive income as the Company's obligation to pay arises.

#### 3.13 Related party transactions

As all of the Company's voting rights are controlled by B.UK Limited, a company incorporated in Bermuda and the largest group of undertakings to consolidate these financial statements at 31 December 2022, and it is a wholly owned subsidiary the Group has taken advantage of the exemption contained in FRS 102 para.33.1A and has not disclosed transactions or balances with entities within the same group but has disclosed transactions with other related parties.

#### 3.14 Operating leases

Rental costs arising under operating leases are charged to the statement of comprehensive income over the life of the lease.

#### 3.15 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.

#### 3.16 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.

#### 3.17 Interest income

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

#### 3.18 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.

#### 3.19 Expenses

Expenses are accounted for on an accruals basis.



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

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

#### 3.20 Exceptional items

Exceptional items are transactions that fall within the activities of the Group but are presented separately by virtue of their structural and non-recurring nature to assist in understanding the financial performance of the Group.

#### 3.21 Provisions and contingencies

Provisions are recognised when the Group 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 Group recognises provisions for legal costs where necessary.

Contingent liabilities arise as a result of past events when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the Group's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

#### 3.22 Financial instruments

The Company has chosen to adopt Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 in respect of financial instruments.

Financial instruments are recognised in the Group's balance sheet when the Group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### *Financial assets*

Basic financial assets, including trade and other receivables and cash and bank balances, are initially recognised at transaction price.

At the end of each reporting financial year, financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the statement of comprehensive income.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the statement of comprehensive income.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

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

#### 3.22 Financial instruments (continued)

##### *Financial assets (continued)*

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled; or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party; or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

##### *Financial liabilities*

Basic financial liabilities, including trade and other payables and loans from fellow group companies are initially recognised at transaction price.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

### 4 Prior year restatements

In the previous financial year, some employee related costs were incorrectly classified as administrative expenses, the expenses should have been classified as cost of sales. The error resulted in an overstatement of administrative expenses of £2.8m and an understatement of cost of sales of £2.8m. The adjustment did not affect the 2021 disclosed profit for the financial year (£2.2m).

### 5 Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group and the Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related 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 period is addressed below:

##### *Newsstand Sales*

Income is accrued for newsstand sales that take place within the final five weeks of the financial year. These are based on market estimate reporting.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### *Carrying amount of investment in subsidiary*

The US investment has a path to profitability which will likely require additional investment. The US business plan is underpinned by sustained subscriber growth and establishing loyal advertiser relationships. An impairment review has been conducted resulting in a charge for 2022 in the order of £1.3m reflected in the Company's balance sheet and will be conducted annually.

#### 6 Turnover

All turnover is attributable to the principal activities of the Group.

	2022	2021
	£'000	£'000
<b>Consolidated turnover by destination</b>		
United Kingdom	18,401	18,259
United States of America	727	537
Australia	1,676	1,506
	<u>20,804</u>	<u>20,302</u>

	2022	2021
	£'000	£'000
<b>Consolidated turnover by revenue stream</b>		
Circulation	16,280	16,295
Other	4,524	4,007
	<u>20,804</u>	<u>20,302</u>

#### 7 Consolidated profit before taxation

	2022	2021
	£'000	£'000
The profit before taxation is stated after charging:		
Employee costs	5,299	4,767
Operating lease charges on land and buildings	369	305
Operating lease charges on plant and machinery	18	18
Bad debt provision	(55)	27
Depreciation	65	65
Amortisation	261	175
Auditors' remuneration	78	45

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 8 Tax on profit

	2022	2021
	£'000	£'000
Current tax		
UK corporation tax	830	791
Tax on profit	<u>830</u>	<u>791</u>

The tax assessed for the year is higher (2021 – higher) than the standard rate of corporation tax in the UK for the year ended 31 December 2022 of 19% (2021: 19%). The differences are explained below:

	2022	2021
	£'000	£'000
Group profit before taxation	<u>2,612</u>	<u>2,941</u>
Spectator 1828 profit before taxation multiplied by standard rate in the UK of 19% (2021: 19%)	766	559
Effects of:		
Expenses not deductible for tax	90	67
Utilised future loss provisions	(9)	-
Capital allowances in excess of depreciation	(200)	(1)
Deemed interest on intercompany loan balances	183	166
Total taxation	<u>830</u>	<u>791</u>

#### *Tax rate changes*

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 9 Intangible assets

	Computer software	Website development	Total
Group and Company	£'000	£'000	£'000
<b>Cost</b>			
At 1 January 2022	186	1,061	1,247
Additions	26	835	861
Impairment	(9)	(1,050)	(1,059)
At 31 December 2022	203	846	1,049
<b>Accumulated amortisation</b>			
At 1 January 2022	161	549	710
Charge for the year	27	234	261
Impairment	(9)	(537)	(546)
At 31 December 2022	179	246	425
<b>Net book value</b>			
At 31 December 2022	24	600	624
At 31 December 2021	25	512	537

During the year, the company's website, which had a carrying value of £512k, was fully impaired – as the Group commissioned a new enhanced website to improve the digital offering provided to customers.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 10 Tangible assets

	Leasehold improvements	Equipment	Fixtures & fittings	Total
Group and Company	£'000	£'000	£'000	£'000
<b>Cost</b>				
At 1 January 2022	201	182	91	474
Additions	75	55	9	139
Disposals	-	(16)	(3)	(19)
At 31 December 2022	276	221	97	594
<b>Accumulated depreciation</b>				
At 1 January 2022	152	106	61	319
Charge for the year	11	48	6	65
Disposals	-	(16)	(3)	(19)
At 31 December 2022	163	138	64	365
<b>Net book value</b>				
At 31 December 2022	113	83	33	229
At 31 December 2021	49	76	30	155

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 11 Investment in subsidiary

	Company	
	2022	2021
	£'000	£'000
Opening balance	-	-
Investment in subsidiary	1,275	-
Impairment of investment in subsidiary	(1,275)	-
Closing balance	-	-

On 1 January 2022 the Company incorporated its subsidiary The Spectator (1828) Inc to lead the Group's expansion into the U.S. market; the investment was fully impaired during the year.

Name	Country of incorporation	Principal Activity	Interest	Registered Address
The Spectator (1828) Inc	Delaware - United States of America	Multi-platform content publisher	100%	5315 B FM 1960 W, #102, Houston, TX, 77069

#### 12 Financial instruments

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
<b>Carrying amount of financial assets</b>				
Trade debtors (Note 13)	860	1,532	859	1,532
Amounts owed by parent company (Note 13)	18,486	18,449	18,486	18,449
Cash	227	1,752	127	1,752
Other debtors	340	169	332	169
	<u>19,913</u>	<u>21,902</u>	<u>19,804</u>	<u>21,902</u>
<b>Carrying amount of financial liabilities</b>				
Trade creditors (Note 14)	795	179	734	179
	<u>795</u>	<u>179</u>	<u>734</u>	<u>179</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 13 Debtors

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Trade debtors	860	1,532	859	1,532
Amounts owed by group undertakings	18,486	18,449	18,486	18,449
Other debtors	340	169	332	169
Prepayments and accrued income	673	498	607	498
	<u>20,359</u>	<u>20,648</u>	<u>20,284</u>	<u>20,648</u>

The amounts owed by the group undertakings is 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.

Trade debtors are stated after provisions for bad debt of £87k (2021: £146k).

#### 14 Creditors: amount falling due within one year

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Trade creditors	795	179	734	179
Corporation tax	222	791	222	791
Other taxation and social security	162	124	162	124
Accruals and deferred income	3,641	5,280	3,378	5,280
	<u>4,820</u>	<u>6,374</u>	<u>4,496</u>	<u>6,374</u>



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 15 Called up share capital

##### Group and Company

	2022	2021
	£'000	£'000
<b>Authorised:</b>		
1,700,000 (2021: 1,700,000) Ordinary shares of £1 each	1,700	1,700
<b>Allotted and fully paid:</b>		
1,403,968 (2021: 1,403,968) Ordinary shares of £1 each	1,404	1,404

#### 16 Directors' remuneration

In 2022 and 2021 the Directors were remunerated by other Group companies in respect of services rendered to the Group, no re-charges were made to the Group for these services.

#### 17 Employees

The average monthly number of persons employed by the Group and the Company during the year was:

	Group		Company	
	2022	2021	2022	2021
By activity:	Number	Number	Number	Number
Editorial	43	33	38	33
Selling, distribution and administration	43	41	40	41
	86	74	78	74

The aggregate remuneration comprised:

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Wages and salaries	4,621	4,093	4,077	4,093
Social security costs	509	511	464	511
Other pension costs	169	163	169	163
	5,299	4,767	4,710	4,767

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 18 Pensions

The Group operates a defined contribution scheme and contributions to the scheme are charged to the Group's statement of comprehensive income as the Group's obligation to pay arises. As at 31 December 2022 there was no liability (2021: £nil).

#### 19 Operating lease commitments

The Group and the Company had the following future minimum lease payments under non-cancellable operating leases for each of the following financial years:

##### Group and Company

	2022	2021
	£'000	£'000
Payments due:		
Not later than one year	387	323
Later than one year and not later than five years	1,475	1,238
Later than five years	737	-
	<u>2,599</u>	<u>1,561</u>

The Group is subject to various legal proceedings and claims that arise in the ordinary course of business on a wide range of matters, including, among others, libel claims. The Group currently does not have any material legal claims outstanding.

#### 20 Related party transactions

##### *Rent*

The Group paid rent to Spectator Properties Limited. Costs of £441k (2021: £368k) were recognised. No amounts were outstanding at year end (2021: £Nil).

##### *Management Fees*

The Group paid management fees to St James's Street Property Management Limited. Costs of £24.5k (2021: £42k) were recognised. At the year-end £3.5k (2021: £3.5k) was outstanding and included within accounts payable.

These related party transactions relate to sales and expenditure with entities in which the Company has common ultimate controlling parties. There were no other related party transactions during the year (2021: £Nil).

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 21 Ultimate Parent Company and Controlling Party

The Group's immediate holding company is May Corporation Limited, a company incorporated in Jersey, Channel Islands. The Directors understand that May Corporation Limited's ultimate shareholder is Sir David and Sir Frederick Barclay Family Settlements. The Directors do not consider the ultimate beneficial owners of the Group to have changed but it is noted that Mr Alastair Beveridge and Mr Benjamin Browne of AlixPartners Services UK LLP were appointed as Receivers over the shares of B.UK. Limited on 15 May 2023. The Group and May Corporation Limited are each indirect subsidiaries of B.UK. Limited. The Receivers control the voting rights in respect of the shares of B.UK. Limited and therefore have indirect shareholder control of the Group, should they choose to exercise it.

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 2022.