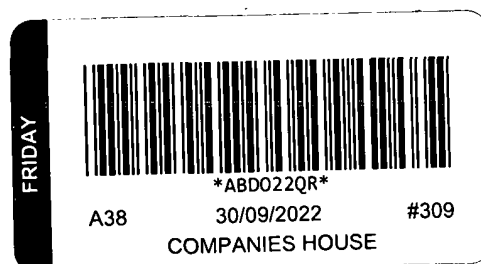


Registration number: 10644366

# **New Scientist Limited**

Annual Report and Financial Statements

for the Period from 1 January 2021 to 30 September 2021



## **New Scientist Limited**

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## **New Scientist Limited**

### **Company Information**

<b>Directors</b>	N Wright J Welsh
<b>Registered office</b>	Northcliffe House 2 Derry Street London UK W8 5TT
<b>Solicitors</b>	Freshfields Bruckhaus Deringer Whitefriars 65 Fleet Street London EC4Y 1HT
<b>Independent auditors</b>	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 1 Embankment Place London WC2N 6RH

## **New Scientist Limited**

### **Directors' Report for the Period from 1 January 2021 to 30 September 2021**

The directors present their Annual Report on the affairs of the Company, together with the audited financial statements and Independent Auditors' report for the period from 1 January 2021 to 30 September 2021 (the prior year financial statements covered the year to 31st December 2020). The new reporting period reflects that the Company was acquired by the dmg media group during the period and the accounting period is now in line with other companies owned by the dmg media group.

Principal risks and uncertainties are disclosed in the Strategic Report to these financial statements.

#### **Directors of the Company**

The directors who held office during the period and up to the date of signing the financial statements were as follows:

N Wright

K Beatty (appointed 2 March 2021 and resigned 17 December 2021)

J Welsh (appointed 2 March 2021)

Sir B Gray (resigned 2 March 2021)

L A Rogers (resigned 2 March 2021)

#### **Future developments**

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

#### **Going concern**

The directors have considered the ability of the Company to continue in operational existence for the foreseeable future as well as the relevant business and financial risks. In doing this, they have considered the Company's business activities, together with the factors likely to affect its future development, performance and position, as set out in the Operating and Business Review which forms part of the Strategic Report. The Company's parent, Daily Mail and General Trust plc ("DMGT") has confirmed that it will provide such financial support as might be necessary to ensure that the Company is a going concern for at least twelve months from the date of signing of these financial statements.

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

#### **Directors indemnity**

A qualifying third-party indemnity (QTPI), as permitted by the Company's Articles of Association and Sections 232 and 234 of the Companies Act 2006, has been granted by the Company to each of the Directors of the Company. Under the provisions of the QTPI, the Company undertakes to indemnify each Director against liability to third parties (excluding criminal and regulatory penalties) and to pay Directors' defence costs as incurred, provided that they are reimbursed to the Company if the Director is found guilty or, in an action brought by the Company, judgement is given against the Director.

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

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

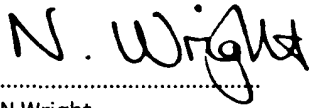
## **New Scientist Limited**

### **Directors' Report for the Period from 1 January 2021 to 30 September 2021 (continued)**

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

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

Approved by the Board on 30 September 2022 and signed on its behalf by:



N Wright  
Director

## **New Scientist Limited**

### **Strategic Report for the Period from 1 January 2021 to 30 September 2021**

The directors present their strategic report for the period from 1 January 2021 to 30 September 2021.

#### **Principal activity**

The principal activity of the Company is the development and expansion of the New Scientist brand across several platforms; print, digital and live events. Now in its 66th year, New Scientist continues to be a hugely respected high-quality paid content producer with a strong recurring and loyal subscriptions base. New Scientist brand has been owned by the Company since May 2017.

The Company has transitioned from FRS102 to FRS101 as a result of being acquired by the dmg media group.

#### **Operating and business review**

In early March 2021, dmg media acquired New Scientist for £67 million. New Scientist's high-quality editorial content attracts a large and growing international readership and we believe there are significant digital growth opportunities to be achieved. The acquisition improves the quality of dmg media's revenue streams, as approximately 75% of revenues are derived from subscriptions. The business is well positioned for growth.

As shown in the income statement, revenue totalled £17,487,000 (2020: £19,704,000). The operating profit for the financial period was £26,000 (2020: £922,000). The loss after tax for the financial period amounted to £668,000 (2020: profit of £100,000). Total Shareholders' Funds as at 30 September 2021 was £4,791,000 (2020: £5,593,000).

The company's key financial and other performance indicators during the period were as follows:

	<b>Unit</b>	<b>2021</b>	<b>2020</b>
Turnover	£000	17,487	19,704
EBITDA*	£000	2,312	4,141
EBITDA Margin	%	13	21
Operating profit	£000	26	922

\*Earnings before interest, tax, depreciation and amortisation from continuing operations, excluding exceptional and other one-off costs.

## **New Scientist Limited**

### **Strategic Report for the Period from 1 January 2021 to 30 September 2021 (continued)**

#### **Principal risks and uncertainties**

Whilst the Directors believe the business is well placed to trade through a possible recession or further downturn due to our highly loyal subscriber base, the directors continue to manage the cost base carefully.

The activities of the Company are substantially within the United Kingdom, and the Company is therefore also exposed to the overall performance of the UK economy. The Company also makes sales in both North America and Australia, with a smaller proportion of sales coming from the rest of the world. These non-UK revenues, and some associated costs will be affected by currency fluctuations. Management continues to consider and implement strategies to mitigate such fluctuations to the maximum extent possible.

A large proportion of the revenues of the Company are earned from the distribution of physical magazines and over the long term it is expected that consumers will choose a mix of physical and digital media. The Company is developing strategies to exploit its brands in the digital environment, as well as in face-to-face events media.

The high loyalty of readers to the New Scientist brand and the high proportion of subscriptions income, forms a strong base for the company's operations. Advertising revenue forms a much lower proportion of company revenue than many traditional media businesses, and the groups' reliable underpinning revenue helps to mitigate some of the business's risks.

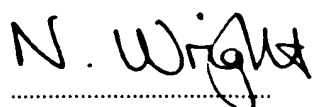
#### **Liquidity risk**

The Directors consider that there are no significant working capital risks that are likely to require additional funding.

#### **Price and Credit risk**

The Directors do not believe there is any significant price or credit risk with any trading partners that are material to the Company.

Approved by the Board on 30 September 2022 and signed on its behalf by:



N Wright  
Director

Date: 30 September 2022

## **New Scientist Limited**

### **Statement of Directors' Responsibilities**

The directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", 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 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 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for 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 also 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.



# Independent auditors' report to the members of New Scientist Limited

## Report on the audit of the financial statements

### Opinion

In our opinion, New Scientist Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2021 and of its loss for the 9 month period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: Statement of Financial Position as at 30 September 2021; Income Statement, Statement of Comprehensive Income and Statement of Changes in Equity for the period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### Basis for opinion

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

### Independence

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

### Conclusions relating to going concern

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

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

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

Our responsibilities and the responsibilities of the members 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 members 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 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 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 period ended 30 September 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

## **Responsibilities for the financial statements and the audit**

### **Responsibilities of the members for the financial statements**

As explained more fully in the Statement of Directors' Responsibilities, the members 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 members 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 members 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 members 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.

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 company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006 and UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. 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 the posting of fictitious journal entries to manipulate financial performance and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management and the Company's legal counsel, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud
- Identifying and testing unusual journal entries, in particular those with unusual account combinations
- Reviewing the financial statement disclosures and agreeing to underlying supporting documentation
- Designing audit procedures to incorporate unpredictability into our testing; and
- Challenging assumptions made by management in determining their judgements and accounting estimates.

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.

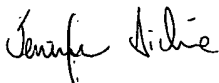
## **Other required reporting**

### **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 members' 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.



Jennifer Dickie (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
30 September 2022

## New Scientist Limited

### Income Statement for the Period from 1 January 2021 to 30 September 2021

		Period ended 30 September 2021 £ 000	Year ended 31 December 2020 £ 000
	Note		
Turnover	4	17,487	19,704
Administrative expenses		<u>(17,461)</u>	<u>(18,782)</u>
Operating profit	5	26	922
Finance costs	6	<u>(365)</u>	<u>(630)</u>
(Loss)/profit before taxation		(339)	292
Tax on (loss)/profit	10	<u>(329)</u>	<u>(192)</u>
(Loss)/profit for the financial period		<u><u>(668)</u></u>	<u><u>100</u></u>

The above results were derived from continuing operations.

The notes on pages 14 to 32 form an integral part of these financial statements.

## **New Scientist Limited**

### **Statement of Comprehensive Income for the Period from 1 January 2021 to 30 September 2021**

	<b>Period ended 30 September 2021 £ 000</b>	<b>Year ended 31 December 2020 £ 000</b>
(Loss)/profit for the financial period	<u>(668)</u>	<u>100</u>
Total comprehensive (expense)/income for the period	<u><u>(668)</u></u>	<u><u>100</u></u>

The notes on pages 14 to 32 form an integral part of these financial statements.

## New Scientist Limited

### Statement of Changes in Equity for the Period from 1 January 2021 to 30 September 2021

	<b>Called up share capital £ 000</b>	<b>Retained earnings/ (losses) £ 000</b>	<b>Total Shareholders' funds £ 000</b>
At 1 January 2020	8,255	(2,762)	5,493
Profit for the financial period	-	100	100
Total comprehensive income	-	100	100
At 31 December 2020	8,255	(2,662)	5,593
	<b>Called up share capital £ 000</b>	<b>Retained earnings/ (losses) £ 000</b>	<b>Total Shareholders' Funds £ 000</b>
At 1 January 2021	8,255	(2,662)	5,593
Loss for the financial period	-	(668)	(668)
Total comprehensive expense	-	(668)	(668)
At 30 September 2021	8,255	(3,330)	4,925

The notes on pages 14 to 32 form an integral part of these financial statements.  
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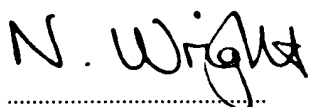
## New Scientist Limited

(Registration number: 10644366)

### Statement of Financial Position as at 30 September 2021

	Note	30 September 2021 £ 000	31 December 2020 £ 000
<b>Fixed assets</b>			
Intangible assets	11	13,858	16,339
Property, plant and equipment	12	73	427
Right of use assets	13	-	3,492
		<u>13,931</u>	<u>20,258</u>
<b>Current assets</b>			
Debtors	14	5,128	2,577
Cash at bank and in hand		<u>4,735</u>	<u>5,939</u>
		<u>9,863</u>	<u>8,516</u>
<b>Creditors: Amounts falling due within one year</b>			
Trade and other payables	15	(17,921)	(18,976)
Lease liabilities	15	-	(3,381)
Creditors: Amounts falling due within one year		<u>(17,921)</u>	<u>(22,357)</u>
Net current liabilities		<u>(8,058)</u>	<u>(13,841)</u>
Total assets less current liabilities		5,873	6,417
Creditors: amounts falling due after more than one year	10	<u>(948)</u>	<u>(824)</u>
Net assets		<u>4,925</u>	<u>5,593</u>
<b>Capital and reserves</b>			
Called up share capital	17	8,255	8,255
Retained earnings/ (Accumulated losses)		<u>(3,330)</u>	<u>(2,662)</u>
Shareholders' funds		<u>4,925</u>	<u>5,593</u>

The financial statements on pages 10 to 32 were approved by the Board on 30 September 2022 and signed on its behalf by:



N Wright  
Director

## **New Scientist Limited**

### **Notes to the Financial Statements for the Period from 1 January 2021 to 30 September 2021**

#### **1 General information**

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

The address of its registered office is:

Northcliffe House  
2 Derry Street  
London  
UK  
W8 5TT  
England

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

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

##### **Basis of preparation**

The financial statements of the Company have been prepared under the historic cost convention and in accordance with the Companies Act 2006 as applicable to companies using FRS 101 and were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework. The company is a wholly-owned subsidiary of DMGT plc and is included in the consolidated financial statements of Daily Mail and General Trust Plc which are publicly available.

##### **Summary of disclosure exemptions**

Set out below are the applicable FRS 101 exemptions applied by the Company in preparing these financial statements.

##### **Cash flow Statement**

The Company is a wholly owned subsidiary of Daily Mail and General Trust plc (DMGT) and the cash flows of the Company are included in the consolidated cash flows of that company. Consequently the Company is exempt under the terms of IAS 1 Presentation of financial statements.

##### **Related Party Transactions**

The Company has taken advantage of the exemptions under IAS 24 "Related party disclosures" not to disclose compensation for key management personnel and transactions or balances with entities that are part of the DMGT Group.

##### **Share Based Payments**

The Company has taken advantage of the exemption to reduce the disclosure on share based payments to those required under paragraphs 44 and 45(a), (c) and (d) of IFRS 2.



## **New Scientist Limited**

### **Notes to the Financial Statements for the Period from 1 January 2021 to 30 September 2021 (continued)**

#### **2 Accounting policies (continued)**

##### **First time adoption of FRS 101**

During the current financial period, management chose to transition from FRS 102 to FRS 101 so as to ensure all companies within the DMGT UK group of companies report using the same basis of accounting.

The last financial statements prepared under the previous UK accounting framework were for the year ended 31 December 2020, thus, the date of transition to FRS 101 was 1 January 2021. All comparative information in the financial statements has been restated to reflect the company's adoption of FRS 101, except where otherwise required or permitted by paragraphs 6 to 33 of IFRS 1 'First-time Adoption of International Financial Reporting Standards'. Details of this transition can be found in note 19.

##### **Going concern**

The directors have considered the ability of the Company to continue in operational existence for the foreseeable future as well as the relevant business and financial risks. In doing this, they have considered the Company's business activities, together with the factors likely to affect its future development, performance and position, as set out in the Operating and Business Review which forms part of the Strategic Report. The Company's parent, Daily Mail and General Trust plc ("DMGT") has confirmed that it will provide such financial support as might be necessary to ensure that the Company is a going concern for at least twelve months from the date of signing of these financial statements.

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

##### **Revenue recognition**

Company turnover represents income from circulation, advertising and subscription revenue generated from print magazines and digital publishing, as well as income from live and digital events the Company holds.

Turnover is recognised on the provision of the related goods or services. Specifically:

- Print advertising and circulation revenue are recognised on the date of sale of the related publication;
- Revenue from print and digital subscriptions is recognised over the period of the subscription;
- Other income is recognised on provision of service; and
- Event income is recognised when the event has taken place.

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Circulation income is stated after the deduction of the sales value of actual and estimated returned goods.

##### **Tax**

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

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

## **New Scientist Limited**

### **Notes to the Financial Statements for the Period from 1 January 2021 to 30 September 2021 (continued)**

#### **2 Accounting policies (continued)**

Deferred tax liabilities are recognised for taxable temporary differences arising in investments in subsidiaries, joint ventures and associates except where the company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised, based on tax rates that have been enacted or substantively enacted by the period end date, and is not discounted.

The carrying amount of deferred tax assets is reviewed at each period end date, and is reduced or increased as appropriate to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered, or it becomes probable that sufficient taxable profits will be available.

#### **Tangible assets**

Property, plant and equipment is stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of property, plant and equipment includes directly attributable incremental costs incurred in their acquisition and installation.

#### **Depreciation**

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Computer Hardware	3 years
Leasehold improvements	5 years

## **New Scientist Limited**

### **Notes to the Financial Statements for the Period from 1 January 2021 to 30 September 2021 (continued)**

#### **2 Accounting policies (continued)**

##### **Intangible assets**

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date.

Goodwill is not subject to amortisation but is tested for impairment.

Negative goodwill arising on an acquisition is recognised directly in the income statement. On disposal of a subsidiary or a jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss recognised in the income statement on disposal.

During the period there has been a change in accounting policy due to being acquired by the dmg media group. Previously the approach to capitalising intangibles was based on continued product and technology enhancements of systems that have and will drive revenue. As such the capitalised amounts within New Scientist Limited were not attributable to specific projects within the business – this is a fundamental divergence from dmg media policy which requires significant detail regarding the criteria to be completed and every project should be separately identifiable. Based on this, the intangible within New Scientist Limited would not have been allowed and it was written off at the point of acquisition.

##### **Amortisation**

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

<b>Asset class</b>	<b>Amortisation method and rate</b>
Goodwill	Tested annually for impairment
Software	3 years
Customer relationships and brand name	10 years

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

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

##### **Trade receivables**

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate expected credit losses. Individual trade receivables are written off when management deems them not to be collectible.

##### **Leases**

###### *Definition*

## **New Scientist Limited**

### **Notes to the Financial Statements for the Period from 1 January 2021 to 30 September 2021 (continued)**

#### **2 Accounting policies (continued)**

The Company assesses whether a contract is, or contains a lease at inception of the contract. A lease conveys the right to direct the use and obtain substantially all of the economic benefits of an identified asset for a period of time in exchange for consideration.

##### *Initial recognition and measurement*

Where the Company acts as a lessee it recognises a right of use asset and corresponding liability at the date at which a leased asset is made available for use by the Company, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The lease liability is measured at the present value of the future lease payments, discounted at the rate implicit in the lease, or if that cannot be readily determined, at the Company's incremental borrowing rate specific to the term, country, currency and start date of the lease.

The Company's lease payments include: fixed payments; variable lease payments dependent on an index or rate, initially measured using the index or rate at commencement; and payments in an optional renewal period if the Group is reasonably certain to exercise an extension option or not exercise a break option less any lease incentives receivable. and an estimate of restoration, removal and dismantling costs.

## New Scientist Limited

### Notes to the Financial Statements for the Period from 1 January 2021 to 30 September 2021 (continued)

#### 2 Accounting policies (continued)

##### *Subsequent measurement*

The lease liability is subsequently measured at amortised cost using the effective interest rate method. It is remeasured, with a corresponding adjustment to the right of use asset, when there is a change in future lease payments resulting from a rent review, change in an index or rate such as inflation, or change in the Company's assessment of whether it is reasonably certain to exercise a purchase, extension or break option.

The right of use asset is initially measured at cost based on the value of the associated lease liability, adjusted for any payments made before inception, initial indirect costs and any dilapidation or restoration costs.

The right of use asset is subsequently depreciated on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset. The right of use asset is tested for impairment if there are any indicators of impairment.

#### 3 Critical accounting judgements and key sources of estimation uncertainty

There were no critical accounting estimates and judgements made in preparing these financial statements.

#### 4 Turnover

The analysis of the Company's revenue for the period from continuing operations is as follows:

	<b>Period ended 30 September 2021 £ 000</b>	<b>Year ended 31 December 2020 £ 000</b>
Revenue from print and digital subscriptions	12,496	13,769
Other revenue	4,991	5,935
	<u>17,487</u>	<u>19,704</u>

Revenue from continuing operations can be classified geographically as follows:

	<b>Period ended 30 September 2021 £ 000</b>	<b>Year ended 31 December 2020 £ 000</b>
United Kingdom	13,519	14,410
Rest of the world	3,968	5,294
	<u>17,487</u>	<u>19,704</u>

## New Scientist Limited

### Notes to the Financial Statements for the Period from 1 January 2021 to 30 September 2021 (continued)

#### 5 Operating profit

Arrived at after charging

	<b>Period ended 30 September 2021 £ 000</b>	<b>Year ended 31 December 2020 £ 000</b>
Depreciation expense	482	280
Amortisation expense	1,804	2,939
Loss on disposal of assets	<u>1,101</u>	<u>-</u>

#### 6 Finance costs

	<b>Period ended 30 September 2021 £ 000</b>	<b>Year ended 31 December 2020 £ 000</b>
Interest owed to group companies	305	538
Lease liabilities	<u>60</u>	<u>92</u>
	<u>365</u>	<u>630</u>

#### 7 Staff costs

The aggregate payroll costs (excluding directors' remuneration) were as follows:

	<b>Period ended 30 September 2021 £ 000</b>	<b>Year ended 31 December 2020 £ 000</b>
Wages and salaries	5,031	4,379
Social security costs	433	567
Other pension costs	<u>235</u>	<u>309</u>
	<u>5,699</u>	<u>5,255</u>

The monthly average number of persons employed by the Company (excluding directors) during the period, analysed by category was as follows:

## New Scientist Limited

### Notes to the Financial Statements for the Period from 1 January 2021 to 30 September 2021 (continued)

#### 7 Staff costs (continued)

	<b>Period ended 30 September 2021 Number</b>	<b>Year ended 31 December 2020 Number</b>
Production and editorial	46	43
Administration and marketing	29	25
Sales and events	8	13
	<u>83</u>	<u>81</u>

#### 8 Directors' remuneration

The directors' remuneration for the period was as follows:

	<b>Period ended 30 September 2021 £ 000</b>	<b>Year ended 31 December 2020 £ 000</b>
Remuneration	<u>319</u>	<u>467</u>

During the period the number of directors who were receiving benefits and share incentives was as follows:

	<b>Period ended 30 September 2021 Number</b>	<b>Year ended 31 December 2020 Number</b>
Accruing benefits under defined benefit pension scheme	<u>1</u>	<u>1</u>

In respect of the highest paid director:

	<b>Period ended 30 September 2021 £ 000</b>	<b>Year ended 31 December 2020 £ 000</b>
Remuneration	<u>260</u>	<u>240</u>

J J S Welsh and K J Beatty (up to date of resignation) are directors of Associated Newspapers Limited, a DMGT subsidiary company, and their emoluments are fully disclosed in the financial statements of that company. Their services to this company and a number of fellow group companies are of a non-executive nature and their emoluments are deemed wholly attributable to the Company in which they are paid and disclosed. Both did not receive any remuneration in respect of qualifying services in either the current or prior period. The remuneration of the directors is paid by Associated Newspapers Limited which makes no recharge to the company. The directors' remuneration is included in the aggregate of directors' remuneration disclosed in the financial statements of Associated Newspapers Limited.

## **New Scientist Limited**

### **Notes to the Financial Statements for the Period from 1 January 2021 to 30 September 2021 (continued)**

#### **9 Auditors' remuneration**

The fees payable to PricewaterhouseCoopers LLP in relation to the audit of the financial statements of the Company are as follows.

	<b>Period ended 30 September 2021 £ 000</b>	<b>Year ended 31 December 2020 £ 000</b>
Audit of the financial statements	<u>32</u>	<u>72</u>

Fees payable to PricewaterhouseCoopers LLP and their associates for non-audit services to the Company are not required to be disclosed because the Daily Mail and General Trust plc consolidated financial statements disclose such fees on a consolidated basis.



## New Scientist Limited

### Notes to the Financial Statements for the Period from 1 January 2021 to 30 September 2021 (continued)

#### 10 Tax on (loss)/ profit on ordinary activities

Tax charged/(credited) in the income statement

	Period ended 30 September 2021 £ 000	Year ended 31 December 2020 £ 000
<b>Current taxation</b>		
UK corporation tax	211	15
UK corporation tax adjustment to prior periods	(6)	50
	<u>205</u>	<u>65</u>
<b>Deferred taxation</b>		
Arising from origination and reversal of temporary differences	(38)	138
Adjustments in respect of prior years	162	(11)
Total deferred taxation	<u>124</u>	<u>127</u>
Tax expense in the income statement	<u>329</u>	<u>192</u>

The tax on profit before tax for the period is higher than the standard rate of corporation tax in the UK(2020 - the same as the standard rate of corporation tax in the UK) of 19% (2020 - 19%).

The differences are reconciled below:

	2021 £ 000	2020 £ 000
(Loss)/profit for the period - continuing operations	<u>(339)</u>	<u>292</u>
Corporation tax at standard rate	(64)	55
Increase in current tax from adjustment for prior periods	156	39
Increase from effect of expenses not deductible in determining taxable profit /(tax loss)	9	42
Deferred tax expense relating to changes in tax rates or laws	<u>228</u>	<u>81</u>
Total tax charge	<u>329</u>	<u>217</u>

# **New Scientist Limited**

## **Notes to the Financial Statements for the Period from 1 January 2021 to 30 September 2021 (continued)**

### **10 Tax on (loss)/ profit on ordinary activities (continued)**

#### **Deferred tax**

Deferred tax assets and liabilities

	<b>Liabilities £ 000</b>
<b>2021</b>	
Accelerated tax depreciation	<u>948</u>
<b>2020</b>	
Accelerated tax depreciation	<u>824</u>

Deferred tax movement during the Current period:

	<b>At 30 September 2021 £ 000</b>	<b>Recognised in income £ 000</b>	<b>At 1 January 2021 £ 000</b>
Accelerated tax depreciation	<u>948</u>	<u>124</u>	<u>824</u>

Deferred tax movement during the prior year:

	<b>At 31 December 2020 £ 000</b>	<b>Recognised in income £ 000</b>	<b>At 1 January 2020 £ 000</b>
Accelerated tax depreciation	<u>824</u>	<u>127</u>	<u>697</u>

## New Scientist Limited

### Notes to the Financial Statements for the Period from 1 January 2021 to 30 September 2021 (continued)

#### 11 Intangible assets

	Goodwill £ 000	Customer relationships and brand name £ 000	Software £ 000	Total £ 000
<b>Cost or valuation</b>				
At 1 January 2021	1,339	22,958	2,262	26,559
Additions	-	-	45	45
Written off during the period	-	-	(2,307)	(2,307)
At 30 September 2021	<u>1,339</u>	<u>22,958</u>	<u>-</u>	<u>24,297</u>
<b>Amortisation</b>				
At 1 January 2021	(355)	(8,363)	(1,502)	(10,220)
Amortisation charge	-	(1,721)	(82)	(1,803)
Amortisation eliminated on assets written off	-	-	1,584	1,584
At 30 September 2021	<u>(355)</u>	<u>(10,084)</u>	<u>-</u>	<u>(10,439)</u>
<b>Carrying amount</b>				
At 30 September 2021	<u>984</u>	<u>12,874</u>	<u>-</u>	<u>13,858</u>
At 31 December 2020	<u>984</u>	<u>14,595</u>	<u>760</u>	<u>16,339</u>

## New Scientist Limited

### Notes to the Financial Statements for the Period from 1 January 2021 to 30 September 2021 (continued)

#### 12 Tangible assets

	Leasehold improvements £ 000	Computer Hardware £ 000	Total £ 000
<b>Cost or valuation</b>			
At 1 January 2021	970	298	1,268
Additions	-	7	7
Disposals	(733)	(259)	(992)
At 30 September 2021	237	46	283
<b>Depreciation</b>			
At 1 January 2021	(605)	(236)	(841)
Charge for the period	(60)	(14)	(74)
Eliminated on disposal	477	228	705
At 30 September 2021	(188)	(22)	(210)
<b>Carrying amount</b>			
At 30 September 2021	49	24	73
At 31 December 2020	365	62	427

## New Scientist Limited

### Notes to the Financial Statements for the Period from 1 January 2021 to 30 September 2021 (continued)

#### 13 Right of use assets

	Property £ 000	Total £ 000
<b>Cost or valuation</b>		
Opening balance adjustment from transition to FRS101	4,036	4,036
At 31 December 2020	4,036	4,036
At 1 January 2021	4,036	4,036
Disposals	(4,036)	(4,036)
At 30 September 2021	-	-
<b>Depreciation</b>		
Charge for year	(544)	(544)
At 31 December 2020	(544)	(544)
At 1 January 2021	(544)	(544)
Charge for the period	(408)	(408)
Eliminated on disposal	952	952
At 30 September 2021	-	-
<b>Carrying amount</b>		
At 30 September 2021	-	-
At 31 December 2020	3,492	3,492

#### 14 Debtors

	At 30 September 2021 £ 000	At 31 December 2020 £ 000
Trade receivables	551	804
Provision for impairment of trade receivables	(14)	(13)
Receivables from group undertakings	3,219	-
Prepayments and accrued income	701	1,089
Other receivables	671	697
Total current trade and other receivables	5,128	2,577

## New Scientist Limited

### Notes to the Financial Statements for the Period from 1 January 2021 to 30 September 2021 (continued)

#### 15 Creditors: Amounts falling due within one year

	30 September 2021 £ 000	31 December 2020 £ 000
<b>Current liabilities</b>		
Trade payables	-	274
Accruals and deferred income	8,981	8,700
Amounts owed to group undertakings	8,338	9,870
Social security and other taxes	210	36
Other creditors	181	104
Lease liabilities	-	3,381
Other tax payable	211	(8)
	<u>17,921</u>	<u>22,357</u>

#### 16 Leases

##### Leases included in creditors

	30 September 2021 £ 000	31 December 2020 £ 000
Long term lease liabilities	-	3,381

##### Total cash outflows related to leases

Total cash outflows related to leases are presented in the table below:

	30 September 2021 £ 000	31 December 2020 £ 000
<b>Payment</b>		
Right of use assets	<u>448</u>	<u>598</u>

## **New Scientist Limited**

### **Notes to the Financial Statements for the Period from 1 January 2021 to 30 September 2021 (continued)**

#### **17 Called up share capital**

##### **Allotted, called up and fully paid shares**

	<b>At 30 September 2021</b>		<b>At 31 December 2020</b>	
	<b>Number</b>	<b>£</b>	<b>Number</b>	<b>£</b>
Ordinary shares of £1 each	8,255,000	8,255,000	8,255,000	8,255,000

#### **18 Ultimate parent company and controlling party**

The Company's immediate parent company is dmg media Limited, a company incorporated in the United Kingdom.

##### **Ultimate controlling party**

Rothermere Continuation Limited (RCL) is a holding company incorporated in Jersey, in the Channel Islands. The main asset of RCL is its controlling shareholding in DMGT, being its 100% holding of DMGT's issued Ordinary Shares and the largest single holding of DMGT A Ordinary Shares. RCL is controlled by a discretionary trust (the Trust) which is held for the benefit of Viscount Rothermere and his immediate family. The Trust represents the ultimate controlling party of the Company. Both RCL and the Trust are administered in Jersey. RCL and its directors, and the Trust are related parties of the Company.

##### **Relationship between entity and parents**

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

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

Northcliffe House  
2 Derry Street  
London  
UK  
W8 5TT

## **New Scientist Limited**

### **Notes to the Financial Statements for the Period from 1 January 2021 to 30 September 2021 (continued)**

#### **19 Transition to FRS 101**

The company meets the definition of a qualifying entity under FRS 100 Application of Financial Reporting Requirements. Accordingly, the company has elected to apply FRS 101 Reduced Disclosure Framework. The recognition and measurements requirements of EU adopted IFRS have therefore been applied within these financial statements, with amendments where necessary in order to comply with the Companies Act 2006.

For the year ended 31 December 2020, profit for the year under FRS 102 would have been £4,000. Total comprehensive income for the same period under FRS 101 is £100,000. This variance relates to the difference in recognition between FRS 102 and FRS 101 with regard to the treatment of Right of Use assets.

The last financial statements prepared under the previous UK accounting framework (being FRS 102) were for the year ending 31 December 2020. The date of transition to FRS 101 was 1 January 2020. All comparative information in the financial statements has been restated to reflect the company's adoption of FRS 101 and those adjustments are shown below.



## New Scientist Limited

### Notes to the Financial Statements for the Period from 1 January 2021 to 30 September 2021 (continued)

#### 19 Transition to FRS 101 (continued)

	31 December 2020 as previously reported £000	FRS101 transition adjustment £000	1 January 2021 as restated £000
<b>Non-current assets</b>			
Intangible assets	16,205	134	16,339
Tangible assets	427	-	427
Right of use assets	-	3,492	3,492
	<b>16,632</b>	<b>3,626</b>	<b>20,258</b>
<b>Current assets</b>			
Debtors	2,726	(149)	2,577
Cash	5,939	-	5,939
	<b>8,665</b>	<b>(149)</b>	<b>8,516</b>
<b>Creditors (amounts falling due within one year)</b>	(18,976)	(3,381)	(22,357)
<b>Creditors (amounts falling due after one year)</b>	(824)	-	(824)
<b>Net assets</b>	<b>5,497</b>	<b>96</b>	<b>5,459</b>
<b>Capital and reserves</b>			
Share capital	8,255	-	8,255
Profit and loss account	(2,758)	96	(2,662)
<b>Total shareholders' funds</b>	<b>5,497</b>	<b>96</b>	<b>5,593</b>

## **New Scientist Limited**

### **Notes to the Financial Statements for the Period from 1 January 2021 to 30 September 2021 (continued)**

#### **19 Transition to FRS 101 (continued)**

The impact of the transition to FRS101 and change in accounting policy on equity is as follows:

<b>Reconciliation of equity at 1 January 2020</b>	<b>£000</b>
Retained earnings/ (losses) at 1 January under FRS102	(2,762)
<b>Retained earnings/ (losses) at 1 January 2020 under FRS101</b>	<b>(2,762)</b>
<b>Reconciliation of equity at 31 December 2020</b>	<b>£000</b>
Retained earnings/ (losses) at 31 December 2020 under FRS102	(2,758)
Amortisation of Goodwill	134
Right of use assets	(38)
<b>Retained earnings/ (losses) at 31 December 2020 under FRS101</b>	<b>(2,662)</b>
<b>Reconciliation of total comprehensive income for the year ended 31 December 2020</b>	<b>£000</b>
Total comprehensive income for the year ended 31 December 2020 under FRS102	4
Amortisation of Goodwill	134
Right of use assets	(38)
<b>Total comprehensive income for the year ended 31 December 2020</b>	<b>100</b>