

Argus Media Limited
Annual report and financial statements
For the year ended 30 June 2020

Registered number: 01642534



Argus Media Limited

Strategic report

Introduction

The directors present the Argus Media Limited ("Argus" or the "Company") strategic report for the year ended 30 June 2020. The Company is registered in England and Wales, with the registered number 01642534. The directors, in preparing this strategic report, have complied with section 414C of the Companies Act 2006.

Review of the business

The principal activity of Argus Media Limited is publishing news, price information and analysis on a wide range of global energy and commodity markets. The Company also reports on transportation, hosts industry conferences and provides consulting studies.

Key performance indicators

Company revenues for the year were £94.1 million (2019: £85.7 million), an increase of 9.8%, while expenses increased by 45.6% to £80.6 million (2019: £55.3 million). The profit on ordinary activities before taxation of £63.3 million (2019: £50.9 million) represents a increase of 24.4% over last year.

No dividend payment was made during the year (2019: nil). The Company forms part of the Fleet Finco Limited Group (the "Group").

KPI's are monitored at Group level. The Group's continuing success is based on its clients' need for the proprietary commodity market prices, fundamentals data and high-quality market analysis that it publishes. Growth is driven by both improvements to existing publications and the launch of new products to meet its clients' changing requirements. Increasing diversification, including the growth of the natural gas, petrochemicals, fertilizers and metals sectors, as well as the expansion of the conferences and consulting businesses, has seen the Group increase revenues despite the weaknesses in the commodity sector as a whole.

A large part of the Group's success is its global reach among "blue chip" clients operating across various industries, financial institutions and government agencies. Argus has over 6,000 clients in almost 140 countries, served by a global sales force and customer support function.

Principal risks and uncertainties

The Company forms part of the Group which is managed on a unified basis. As a result, the directors of the Company believe that the risks facing the Group are relevant to the Company. The six main areas of business risk relate to copyright, currency, geopolitics, talent, regulation and pandemics.

The creation of proprietary information is at the heart of the Group's business, and management is focused on protecting the Group's intellectual property against infringement. The Group works with its clients to achieve the appropriate licensing of its intellectual property and our technology team continues to explore and implement content protection solutions.

The bulk of the Group's earnings are in US Dollars, British Pound Sterling and Euros, and this income split provides a diversity of currency exposure. Funds held in these currencies are required to meet the operational demands of the Group's business. The bank debt taken out at 30 September 2016 was replaced on 4 October 2019 (effective 7 October 2019) with a seven-year debt facility in the amount of US\$500 million.

The failure to attract, retain and develop staff, including adapting to new skill sets required to run the business, has been identified as a principal risk for the Group. The Group strives to provide a supportive environment that enables employees to work collaboratively. The Group also places great importance on developing its employees and their capabilities through mentoring and training programmes as well as through an annual appraisal process.

Argus Media Limited

Strategic report (continued)

Like all international businesses, the Group faces geopolitical risk. The Group has offices in many countries, including Ukraine and Russia, and also sells to countries where companies can have sanctions applied. Argus has well-resourced integral legal and compliance functions and also has know your customer and vendor monitoring and controls in place. In terms of office locations, management continues to monitor developments on the ground and ensure that the Group's contingency planning is reviewed on a regular basis, and that proper controls are in place.

The Group is well positioned to continue to prosper notwithstanding possible economic and political turmoil arising from the UK's withdrawal from the European Union ("EU"). Up to the date of the signing of these financial statements the Group has not seen any impact on the business due to the withdrawal of the UK from the EU. The Group is a global organisation with decades of experience operating within and across many countries and the Group is well positioned to leverage its international presence to drive future growth.

The Group places great importance on its internal processes, procedures and quality standards and continues to add resources in the area of compliance. It has a rolling internal compliance programme to check that its editorial staff adhere to appropriate reporting methodologies and other internal and external codes of conduct. The Group has an active regulatory engagement programme in order to keep abreast of and help shape relevant public policy developments around the globe. The Group undertakes advocacy on public policy issues, principally to promote best practice in the reporting of wholesale commodity markets. The Group is committed to transparency in its own operations including through publishing its submissions and responses to public regulatory consultations. The Group believes that it has in place the appropriate level of procedures for the current environment.

The Covid-19 pandemic had a major impact on the operations of the business with offices around the world being shut and business travel coming to a halt. In response, the Group has rolled out a robust work from home programme and has moved as much of its activities as possible into a virtual environment. The Group reviewed its global spending and made the necessary adjustments swiftly. This included a review of the global headcount and reduction in areas most impacted by the pandemic. The headcount reduction took advantage of governmental assistance provided where possible to ensure the impact on our employees was as small as possible.

Longer term viability statement

In accordance with the requirements of the UK Corporate Governance Code, the Board has assessed the prospects of the Group's viability over the four-year period from 1 July 2020. This period is consistent with the Group's established business planning and forecasting processes and cycle, which is subject to review and approval by the Board.

The four-year plan considers the Group's operating profit before depreciation and amortisation, capital expenditure, cash flows, funds from operations and net debt. The key financial ratios of net debt to operating profit before depreciation and amortisation and funds from operations to net debt over the forecast years are also considered. It incorporates stress tests to simulate the potential impacts of exposure to the Group's principal risks and uncertainties, including the potential impacts of an economic downturn and the Covid-19 pandemic.

These scenarios included:

- The effect of unfavourable changes to significant foreign exchange rates on the Group's operating profit before depreciation and amortisation as a result of its global operations;
- The impact of the Covid-19 pandemic on the Group's revenue;
- A decrease in revenues due to adverse geopolitical developments; and
- An increase in costs associated with regulatory compliance and adverse geopolitical developments.

The scenarios were assessed taking into account current risk appetite and any mitigating actions the Group could take, as required, in response to the potential realisation of any of the stressed scenarios.

Argus Media Limited

Strategic report (continued)

In addition, while the Group is in a net liability position, its liabilities are the bank loans and liabilities against related parties including its shareholders. The shareholder loans will not be due in the four years from 30 June 2020 and they provide the Group with the option to defer payments, if necessary.

Based on the results of the related analysis, individually as well as combined, the Group remains viable. There is sufficient headroom in the financing facilities and the strong cash generation of the Group leads to a sufficient liquidity position at all times. Therefore, the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the four-year period of this assessment.

Future developments

The directors expect the general level of activity of the Company to remain consistent with prior years. The Group has an exciting future ahead and the Company will continue to play its part in ensuring that the Group continues to grow and be successful.

The Group continues to refine its business model and is increasing its market share in a competitive sector of the information industry. The Group's revenue and operating profit continue to grow and operating cash flow remains strong and predictable. The Group has an experienced management team, skilled staff and a robust capital structure. The Group is positive about the year ahead and is confident that the increasing importance of its information for entities involved in the global commodities sector will help to generate significant opportunities for continued revenue and profit growth in the years ahead.

The Group continues to strengthen the senior management team who will focus on capturing the significant opportunities that lie ahead. The Group is also evaluating possible new office openings in countries where there is the potential to generate significant new business for the Group.

Approval

This report was approved by the board of directors and signed on its behalf by:



S J Ashman
26 January 2021

Argus Media Limited

Directors' report

The directors present their report and the financial statements of Argus Media Limited (the 'Company') for the year ended 30 June 2020.

Dividends

There were no dividends paid during the year (2019: nil) and the directors did not propose the payment of a dividend for the year ended 30 June 2020 (2019: nil).

Directors

The directors who held office during the year and up to the date of signing the financial statements are given below:

M A Binks

S J Ashman

M P Burkley

Donations

During the year, the Company made charitable donations of £135,303 (2019: £140,927).

Future developments and events after the balance sheet date

Future developments are discussed in the strategic report.

Financial risk management

From the perspective of the Company, financial risk management is integrated with the financial risk management of the consolidated financial statements of Fleet Finco Limited (the 'Group') and is not managed separately. Accordingly, the financial risk management of the Group, which includes that of the Company, is discussed in the Group's annual report which does not form part of this report.

Environmental, employee, social, community and human right matters

The Group has a policy of actively recycling as much material as possible and of using environmentally sustainable service providers. For example, in London, the Group employs cleaners who only use eco-friendly products and pay their staff a London Living Wage. All our main offices operate recycling schemes, which comply with local requirements. The Group encourages cycling and in London it operates the Cycle to Work scheme. The Group also provides cycle storage facilities within its head office building.

The Group has a zero tolerance approach to acts of bribery and corruption. To manage bribery and corruption risks, the Group operates within a risk management framework which sets high-level policies and standards across all markets. These policies and standards apply to all Group directors and employees, regions, and operations, and it is the responsibility of local management to ensure that their business operates in line with them. We operate a risk-based training and awareness framework to ensure employees and others acting on the Group's behalf know what is expected of them and how they should manage bribery and corruption risks. To ensure that anti-bribery and anti-corruption controls are operating effectively we assess compliance oversight and annual attestation to compliance with the relevant regulations. At a Group level, the Global Compliance Officer provides the Board's Global Compliance Committee with regular reporting on financial crime matters, including the Group's anti-bribery and anti-corruption programme.

Argus Media Limited

Directors' report (continued)

Environmental, employee, social, community and human right matters (continued)

As a journalistic enterprise, the Group has a strong culture of openness, especially in internal communications. This is reflected through the frequent "town hall" business and operations updates from the CEO providing the latest information about performance including progress against the Group's financial targets. All staff take part in these "town hall" events. A staff newsletter, "Argus Offline", contains news and information provided by staff across the globe about matters affecting them. Staff are encouraged to get involved by submitting articles and ideas about what to include in the newsletter.

Disabled employees - The Company is an equal opportunities employer and recruits without reference to gender, age, ethnicity, disability, sexual orientation, religion or belief. The Company is proud that its workforce is so diverse and, without exception, it seeks to fulfil its obligations under all anti-discrimination laws. Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group that the training, career development, and promotion of disabled persons should, as far as possible, be identical to that of other employees.

The Group strives to provide a supportive environment where managers and employees work collaboratively to meet deadlines and to serve its clients. In the United Kingdom, this is reflected through the company's continued accreditation under the Investors in People scheme, which recognises the use of good internal staff communication and training programmes to attain the Group's goals. The Group places great importance on developing its employees and their capabilities through mentoring and training programmes as well as through the annual appraisal process. The appraisal form includes a section asking employees for their suggestions on how to develop and improve the business. Staff are also consulted on an annual basis through a global staff engagement survey. The company also sponsors a number of work-social groups which run professional and welfare based events; Argus Connect (for younger professionals), Argus Parents and Argus WIN (Women's Initiative Network).

The Group is an equal opportunities employer and recruits without reference to gender, age, ethnicity, disability, sexual orientation, religion or belief. The Group is proud that its workforce is so diverse and, without exception, it seeks to fulfil its obligations under all anti-discrimination laws. Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group that the training, career development, and promotion of disabled persons should, as far as possible, be identical to that of other employees.

On behalf of the board



S J Ashman
Director
26 January 2021

Argus Media Limited
Statement of directors' responsibilities
For the year ended 30 June 2020

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under the law the directors have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising Financial Reporting Standard 101 ('FRS 101') and applicable law (United Kingdom Generally Accepted Accounting Practice).

Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;

- Make judgments and accounting estimates that are reasonable and prudent;

- State whether applicable United Kingdom Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements; and

- Prepare the financial statements on the going concern basis unless it is inappropriate to presume the the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Argus Media Limited
Profit and loss account
For the year ended 30 June 2020

		2020	2019
	Note	£'000	£'000
Turnover	3	94,090	85,684
Cost of sales		<u>(45,156)</u>	<u>(39,886)</u>
Gross Profit		48,934	45,798
Administrative expenses		<u>(35,420)</u>	<u>(15,444)</u>
Operating profit	4	13,514	30,354
Finance income	5	50,208	20,574
Finance costs		(186)	(8)
Other gains	6	984	—
Exceptional items		(1,190)	—
Profit before taxation		63,330	50,920
Tax credit/(charge) on profit	9	<u>237</u>	<u>(1,302)</u>
Profit for the financial year		<u>63,568</u>	<u>49,618</u>

The above results are all derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above and therefore no separate statement of comprehensive income has been presented.

Argus Media Limited
Balance sheet
As at 30 June 2020

	Note	2020 £'000	2019 £'000
Fixed assets			
Intangible assets	10	28,352	28,362
Tangible assets	11	9,183	8,522
Right-of-Use asset	12	14,608	—
Investments	13	292	292
		<u>52,435</u>	<u>37,176</u>
Current assets			
Debtors	14	280,076	205,618
Current tax assets and liabilities		—	948
Cash at bank and in hand		35,810	6,297
		<u>315,886</u>	<u>212,863</u>
Creditors amounts falling due within one year	15	(157,479)	(122,093)
Derivative financial instruments	18	(894)	(847)
		<u>(158,373)</u>	<u>(122,940)</u>
Net current assets		157,513	89,923
Total assets less current liabilities		209,947	127,099
Creditors amounts falling due after more than one year	16	(291)	(207)
Lease Liability		(19,197)	—
Net Assets		<u>190,459</u>	<u>126,892</u>
Capital and reserves			
Called-up share capital	17	38	38
Share premium account		5,799	5,799
Other reserves		1	1
Profit and loss account		184,622	121,054
Total shareholders' funds		<u>190,459</u>	<u>126,892</u>

For the year ended 30 June 2020:

- The directors confirm that the Company is entitled to take exemption from the requirement to obtain an audit under Section 479A of the Companies Act 2006;
- The members have not required the Company to obtain an audit of its accounts in accordance with Section 476 of the Companies Act 2006; and
- The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of the accounts.

The financial statements were approved by the board of directors and authorised for issue on 26 January 2021. They were signed on its behalf by:



S J Ashman
Director

Company registered number: 01642534

Argus Media Limited
Statement of changes in equity
As at 30 June 2020

	Called up Share capital £'000	Share premium account £'000	Other reserve £'000	Profit and loss account £'000	Total £'000
Balance at 01 July 2018	38	5,799	1	71,436	77,274
Profit for the financial year	—	—	—	49,618	49,618
Total comprehensive income for the year	—	—	—	49,618	49,618
Balance at 30 June 2019	38	5,799	1	121,054	126,892
Profit for the financial year	—	—	—	63,568	63,568
Total comprehensive income for the year	—	—	—	63,568	63,568
Balance at 30 June 2020	38	5,799	1	184,622	190,460

Argus Media Limited

Notes to the financial statements

For the year ended 30 June 2020

1. Accounting policies

The principal accounting policies are set out below. These policies and measurement bases have been consistently applied to all the years presented.

Basis of preparation

Argus Media Limited is a private limited company, limited by shares, incorporated in the United Kingdom. The address of its registered office is Lacon House, 84 Theobald's Road, London WC1X 8NL.

The financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101 ('FRS 101'). The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. There were no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements requiring disclosure.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101. Where required, equivalent disclosures are given in the group financial statements of Fleet Finco Limited:

IFRS 7 'Financial Instruments: Disclosures'

Paragraphs 91-99 of IFRS 13 'Fair Value Measurement'

Paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of paragraph 79(a)(iv) of IAS 1

The following paragraphs of IAS 1 'Presentation of Financial Statements':

- (i) paragraph 10(d)
- (ii) paragraph 16
- (iii) paragraph 38A
- (iv) paragraph 111
- (v) paragraphs 134-136

IAS 7 'Statement of Cash Flows'

Paragraphs 30 and 31 of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'

The requirement in 'IFRS 16 Leases' for lessees to disclose separate information about leases

Paragraph 17 of IAS 24 'Related Party Disclosures'

The requirements in IAS 24 'Related Party Disclosures' to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report. The directors have a reasonable expectation, having reviewed the Company's forecasts, its cash holdings and the absence of any debt financing, that the Company has sufficient resources to continue in operational existence for the foreseeable future. This is appropriate even in the unlikely event that the effects of the Covid-19 pandemic are permanent. Accordingly, the directors continue to adopt the going concern basis in preparing the accounts.

Argus Media Limited

Notes to the financial statements

For the year ended 30 June 2020

1. Accounting policies (continued)

Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Company, and the equity interests issued by the Company less liabilities acquired by the Company from the former owner of the acquiree in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with *IAS 12 Income Taxes* and *IAS 19 Employee Benefits* respectively; and

assets (or disposal groups) that are classified as held for sale in accordance with *IFRS 5 Non-current Assets Held for Sale* are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed. If after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

When the consideration transferred by the Company in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date. The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified.

Goodwill

Goodwill is initially recognised and measured as set out above. Goodwill is not amortised but is reviewed for impairment at least annually.

Tangible fixed assets

Property, plant and equipment are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all property, plant and equipment, other than freehold land and assets under construction, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Leasehold improvements	10% per annum
Computer Equipment	33% per annum
Fixtures, Fittings and Equipment	20% per annum
Motor vehicles	20% per annum

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

Argus Media Limited

Notes to the financial statements

For the year ended 30 June 2020

1. Accounting policies (continued)

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation on a straight-line basis and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Impairment of tangible and intangible assets excluding goodwill

At each balance sheet date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

An intangible asset with an indefinite useful life is tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

The recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Argus Media Limited

Notes to the financial statements

For the year ended 30 June 2020

1. Accounting policies (continued)

Taxation

The tax expense or credit represents the sum of the tax currently payable/receivable and deferred tax.

Current tax

The tax currently payable or receivable is based on the taxable profit or loss for the period. Taxable profit or loss differs from net profit or loss as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, 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 assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced 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.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to settle or recover the carrying amount of its liabilities and assets. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the period

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Argus Media Limited

Notes to the financial statements

For the year ended 30 June 2020

1. Accounting policies (continued)

Government assistance

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

Turnover

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes.

Recurring revenue from publications is recognised pro-rated in the profit and loss account in accordance with the subscription period to which it relates.

Non-recurring revenue from exchange licensing is recognised in accordance with the period to which the exchange licence agreement relates. In addition, any revenue related to exchange activity is recognised in the period it occurs. Non-recurring revenue from exhibitions and conferences is recognised on the date of the event. Revenue from consulting is recognised over time as the services are provided.

Dividend and interest revenue

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably).

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Foreign currencies

Transactions in foreign currencies are recognised at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange gains and losses are recognised in profit or loss in the period in which they arise except for:

- exchange gains and losses on transactions entered into to hedge certain foreign currency risks (see above under financial instruments); and

- exchange gains and losses on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

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Notes to the financial statements

For the year ended 30 June 2020

1. Accounting policies (continued)

Pensions

The Company operates various defined contribution schemes for the benefit of its employees. Contributions are charged to the profit and loss account in the year they are payable.

Share-based payment

The Company issues equity-settled share options and cash-settled share appreciation rights to certain employees within the Company. Equity-settled share-based payment transactions are measured at fair value (excluding the effect of non market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions.

Fair value is measured by use of the Black Scholes pricing model which is considered by management to be the most appropriate method of valuation. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

A liability equal to the portion of the services received is recognised at and remeasured based on the current fair value determined at each balance sheet date for cash-settled share appreciation rights, with any changes in fair value recognised in profit or loss. The Company has previously provided employees the ability to purchase the Company's ordinary shares. The Company records an expense, based on its estimate of share price less discount related to shares expected to vest on a straight-line basis over the vesting period.

Investments

Investments held as fixed assets are stated at cost less provision for any impairment.

2. Critical judgements in applying the Company's accounting policies

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical accounting judgements

There are no critical accounting judgements during the year.

3. Turnover

	Sales by region	
	2020	2019
	£'000	£'000
Location		
United Kingdom	79,711	78,424
Europe	837	1,664
Rest of world	13,542	5,596
	<u>94,090</u>	<u>85,684</u>

Argus Media Limited
Notes to the financial statements
For the year ended 30 June 2020

3. Turnover (continued)

	2020	2019
	£'000	£'000
Category		
Recurring revenue	82,119	70,246
Non-recurring revenue	11,971	15,438
	<u>94,090</u>	<u>85,684</u>

4. Operating profit

	2020	2019
	£'000	£'000
Operating profit is stated after charging/(crediting):		
Depreciation of tangible assets	2,202	2,102
Depreciation of right-of-use asset	2,356	—
Foreign exchange losses/(gains)	<u>7,859</u>	<u>423</u>

Fees paid to the Group's auditor, Deloitte LLP, and its associates for non-audit services are not disclosed in the Company's financial statements since the consolidated financial statements of Fleet Finco Limited, the smallest group for which consolidated financial statements are drawn up, are required to disclose non-audit fees on a consolidated basis.

5. Interest receivable and similar income

	2020	2019
	£'000	£'000
Other interest receivable	<u>50,208</u>	<u>20,574</u>

6. Other gains

	2020	2019
	£'000	£'000
Government assistance	<u>984</u>	<u>—</u>

Argus Media Limited
Notes to the financial statements
For the year ended 30 June 2020

7. Staff number and costs

	2020	2019
	Number	Number
Editorial	183	214
Sales and Marketing	103	163
Management, administration and technical	111	160
	<u>397</u>	<u>537</u>
	2020	2019
	£'000	£'000
Wages and salaries	35,211	34,226
Social security costs	3,124	4,222
Other pension costs	2,145	1,799
	<u>40,481</u>	<u>40,247</u>

8. Director's remuneration and transactions

The emoluments of the directors are paid by their employing company, another group undertaking. The directors' services to this Company and to a number of fellow subsidiaries are mainly of a non-executive nature and their emoluments are deemed to be wholly attributable to their services to their employing company. Accordingly, the financial statements include no emoluments in respect of the directors.

9. Taxation

	2020	2019
	£'000	£'000
Current tax		
UK Corporation tax charge/(credit)	—	3,395
Adjustments for prior years	(680)	(1,828)
	<u>(680)</u>	<u>1,567</u>
Overseas tax		
Overseas tax charge/(credit)	506	—
Adjustments for prior years	(84)	—
	<u>(84)</u>	<u>—</u>
Total current tax charge/(credit)	(258)	1,567

Argus Media Limited
Notes to the financial statements
For the year ended 30 June 2020

9. Taxation (continued)

Deferred tax

Adjustments to deferred tax in respect of previous periods	193	(199)
Effect of changes in tax rates	(86)	—
Origination and reversal of timing differences	(86)	(65)
Total tax charge/(credit) on profit on ordinary activities	(237)	1,302

Factors affecting the current tax charge/(credit) for the year

Profit on ordinary activities before taxation	63,330	50,935
Tax at the standard rate of corporation tax in the UK of 19% (2019: 19%)	12,033	9,630

Effects of:

Overseas tax rates	(255)	(598)
Expenses not deductible for tax purposes	592	448
Non-taxable income	(4,977)	(3,262)
Adjustments to tax charge in respect of prior periods	(571)	(2,028)
Group relief claimed	(6,973)	(2,888)
Effect of changes in tax rates	(86)	—
Total tax charge/(credit) for the period	(237)	1,302

Deferred tax

The deferred taxation assets provided in the financial statements are as follows:

Opening asset/(liabilities) balance	924	660
Adjustment in respect of previous periods	(107)	199
Deferred tax charge/(credit) in the period	86	65
Closing asset/(liabilities) balance	903	924
Decelerated capital allowances	407	531
Short term timing differences	396	298
Losses	100	95
Closing asset/(liabilities) balance	903	924

Argus Media Limited
Notes to the financial statements
For the year ended 30 June 2020

10. Intangible fixed assets

	£'000
Cost	
At 1 July 2019	33,152
Additions	—
At 30 June 2020	<u>33,152</u>
Amortisation	
At 1 July 2019	4,790
Amortisation	10
At 30 June 2020	<u>4,800</u>
Net Book Value	
At 30 June 2020	<u>28,352</u>
At 30 June 2019	<u>28,362</u>

11. Tangible fixed assets

	Land and buildings freehold £'000	Computer equipment £'000	Fixtures and fittings £'000	Motor vehicles £'000	Assets under construction £'000	Total £'000
Cost						
At 1 July 2019	3,504	12,412	1,765	140	2,368	20,189
Additions	39	1,659	32	—	1,154	2,884
Disposals	—	—	—	(71)	—	(71)
Transfers	—	1,349	—	—	(1,349)	—
At 30 June 2020	<u>3,543</u>	<u>15,420</u>	<u>1,797</u>	<u>69</u>	<u>2,173</u>	<u>23,002</u>
Depreciation						
At 1 July 2019	641	10,304	669	53	—	11,667
Charge for the year	353	1,494	338	17	—	2,202
Disposals	—	—	—	(50)	—	(50)
At 30 June 2020	<u>994</u>	<u>11,798</u>	<u>1,007</u>	<u>20</u>	<u>—</u>	<u>13,819</u>
Net book value						
At 30 June 2020	<u>2,548</u>	<u>3,622</u>	<u>790</u>	<u>49</u>	<u>2,173</u>	<u>9,183</u>
At 30 June 2019	<u>2,863</u>	<u>2,108</u>	<u>1,096</u>	<u>87</u>	<u>2,368</u>	<u>8,522</u>

Argus Media Limited
Notes to the financial statements
For the year ended 30 June 2020

12. Right-of-use assets

	2020
	£'000
Cost	
At 1 July 2019	—
Right-of-use assets recognised	<u>16,964</u>
At 30 June 2020	<u>16,964</u>
Depreciation	
At 1 July 2019	—
Charge for the year	<u>2,356</u>
At 30 June 2020	<u>2,356</u>
Carrying amount	
At 30 June 2020	14,608
At 1 July 2019	—

13. Investments

	2020	2019
	£'000	£'000
Fixed asset investments	31	31
Shares in subsidiaries	<u>261</u>	<u>261</u>
	<u>292</u>	<u>292</u>

The fixed asset investment refers to a 7% equity investment in PT Coal Indonesia.

Argus Media Limited
Notes to the financial statements
For the year ended 30 June 2020

13. Investments (continued)

The Company holds the following shareholdings in the share capital of the following companies:

Company	Class of shares	Country of incorporation	Holding & voting rights	Company number
Argus Media (Russia) Limited ¹	Ordinary	United Kingdom	100 %	4221838
Argus Media Brasil Relatórios de Preço de Energia e Commodity Ltda. ²	Ordinary	Brazil	51 %	332.0924922-3 (NIRE)
Argus Media Canada Ltd ³	Ordinary	Canada	100 %	BC1019104
Argus Media South Africa Limited ¹	Ordinary	United Kingdom	100 %	10603005
Argus Media Australia PTY Limited ⁴	Ordinary	Australia	100 %	618642756
Argus Media Singapore Group pte Limited ⁵	Ordinary	Singapore	100 %	201330289W
FMB Consultants Limited ¹	Ordinary	United Kingdom	100 %	1588592
Metal-Pages Limited ¹	Ordinary	United Kingdom	100 %	3975911
Argus Media Mexico Price Reporting Services, S. de R.L. de C.V. ⁶	Ordinary	Mexico	99.9 %	AMM17102TT0
Argus Media Mexico Price Reporting Group, S. de R.L. de C.V. ⁶	Ordinary	Mexico	99.9 %	AMM1710125G4
Integer Research Limited ¹	Ordinary	United Kingdom	100 %	04240392
Argus Media Netherlands B.V. ⁷	Ordinary	Netherlands	100 %	859802255
Argus Media Africa Limited ¹	Ordinary	United Kingdom	100 %	12489800

The registered office for these companies are:

¹ Lacon House, 84 Theobald's Road, London, England, WC1X 8NL.

² Cidade de Sao Paulo, Estado de Sao Paulo, na Rua Sao Vicente de Paula, 457, apto 21, Higienopolis, CEP 01229-01, Brazil.

³ 1055 West Georgia Street, 1500 Royal Centre, Vancouver, British Columbia, Canada.

⁴ Care of CCASA, Level 21, 20 Bond Street, Sydney, NSW 2000, Australia.

⁵ 50 Raffles Place, #10-01, Singapore Land Tower, Singapore 048623.

⁶ Pedregal, 24 - Torre Virreyes - Piso 3 - Suite 310, Col. Molina del Rey - Del. Miguel Hidalgo, Ciudad de México CDMX-11040, Mexico.

⁷ Prins Bernhardplein 200, 1097JB Amsterdam, Netherlands

The Brazilian entity is 51% owned by Argus Media Limited and 49% owned by Argus Media, Inc, a company incorporated in the United States. Brazilian legislation requires a minimum of two shareholders.

Argus Media Limited
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For the year ended 30 June 2020

14. Debtors

Amounts falling due within one year	2020	2019
	£'000	£'000
Trade debtors	15,348	11,650
Amounts due from parent company	60,330	86,229
Amounts due from subsidiary undertakings	191,132	92,143
Other debtors	155	10,011
Prepayments and accrued income	5,847	3,959
Corporation tax	4,666	0
Taxes and social security costs	1,694	910
Deferred tax asset	903	924
	<u>280,076</u>	<u>205,826</u>

Amounts due from group undertakings are interest free and payable on demand.

15. Creditors amounts falling due within one year

Amounts falling due within one year	2020	2019
	£'000	£'000
Trade creditors	4,057	2,216
Amounts due to subsidiary undertakings	96,943	62,712
Taxes and social security costs	2,711	1,900
Other creditors	—	1,154
Accruals	9,117	13,217
Deferred income	44,650	41,102
	<u>157,479</u>	<u>122,301</u>

Amounts owed to group undertakings are interest free and payable on demand.

16. Creditors amounts falling due after more than one year

The company has provisions for leasehold properties at 30 June 2020 totalling £291k (2019: £207k).

	2020	2019
	£'000	£'000
Dilapidations	291	207
	<u>291</u>	<u>207</u>

Argus Media Limited
Notes to the financial statements
For the year ended 30 June 2020

17. Share capital

	2020	2019
	£'000	£'000
Allotted, called-up and fully-paid:		
30,420,712 A Ordinary Shares of £0.001 each	30	30
7,500,000 B Ordinary Shares of £0.001 each	8	8
	<u>38</u>	<u>38</u>

The Company's profits are distributable at 75% to the holders of "A" shares and 25% to the holders of "B" shares. The percentages also apply to distributions on a winding up. On a poll, holders of "B" shares may exercise one third of the votes that are capable of being cast by holders of "A" shares. All shares in Argus Media Limited are held by Fleet Bidco Limited (UK company number 10136815).

18. Derivative financial instruments

	2020	2019
	£'000	£'000
Derivative financial assets	216	—
Derivative financial liabilities	<u>(1,110)</u>	<u>(847)</u>
	<u>(894)</u>	<u>(847)</u>

19. Contingent liabilities

At the date of signing the accounts there were no contingent liabilities (2019: nil).

20. Related party transactions

The Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with fellow wholly owned subsidiaries.

21. Ultimate parent undertaking

The immediate parent undertaking at the balance sheet date was Fleet Bidco Limited, a company registered in England and Wales. The ultimate controlling party as well as ultimate parent is Fleet Holdco Limited, a Jersey company.

The largest group of which Argus Media Limited is a member and for which group financial statements are drawn up is that headed by Fleet Topco Limited, where financial statements are not available to the public.

The smallest group for which group financial statements are drawn up is headed by Fleet Finco Limited, a company registered in England and Wales. Copies of the Fleet Finco Limited financial statements are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.