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**PINKNEWS MEDIA LTD**

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**UNAUDITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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**PINKNEWS MEDIA LTD**

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**COMPANY INFORMATION**

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<b>Directors</b>	R C Cohen B M Cohen A Millet Dr A James
<b>Company secretary</b>	R C Cohen and Mrs R L Cohen
<b>Registered number</b>	05653301
<b>Registered office</b>	Wisteria Grange Barn Pikes End Pinner London HA5 2EX
<b>Accountants</b>	Nyman Libson Paul LLP Chartered Accountants 124 Finchley Road London NW3 5JS

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**PINKNEWS MEDIA LTD**

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**CONTENTS**

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	Page
<b>Directors' Report</b>	1 - 2
<b>Accountants' Report</b>	3
<b>Statement of Comprehensive Income</b>	4
<b>Statement of Financial Position</b>	5 - 6
<b>Statement of Changes in Equity</b>	7
<b>Notes to the Financial Statements</b>	8 - 20

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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The directors present their report and the financial statements for the year ended 31 December 2022.

**Directors' responsibilities statement**

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

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

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 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 to 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.

**Principal activity**

The principal activity of the company is a digital media and events business. The company operates a number of global brands for the LGBTQ+ community and the next generation. The company's mission is to inform, inspire change and empower people to be themselves.

**Business review**

In 2022, the company's output of editorial and video content across all platforms grew in both quality and quantity with its audience numbers reaching record levels. Every month, across all platforms operated by the company, more than 100 million people consume PinkNews produced content.

The phenomenal growth achieved in 2022, was made possible by building upon the talented and creative team and by strengthening the company's operations. By the end of the year the team was 85 strong. As such, advertising capacity and income continued to grow to their highest levels. The directors also continue to be committed to focusing on enhancing the culture of the company and making the company an exciting place for its team to develop their careers.

The company launched its new website and App in November 2022 and the benefits of this are now being seen. Substantial investment in time and resource was also focused on developing our data analytics proprietary software.

The growth achieved during 2022 is also thanks to the company's strong strategic relationships, particularly with Snap, Google, Meta, Twitter, TikTok and a number of key partners.

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

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**Results and dividends**

The profit for the year, after taxation, amounted to £1,305,827 (2021 - £1,619,200).

Dividends of £nil (2021: £500,000) were paid in the year to PinkNews Group Ltd.

**Directors**

The directors who served during the year were:

R C Cohen  
B M Cohen  
A Millet  
Dr A James

**Small companies note**

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 31 August 2023 and signed on its behalf.

**A Millet**

Director

**CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE UNAUDITED  
STATUTORY FINANCIAL STATEMENTS OF PINKNEWS MEDIA LTD  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of PinkNews Media Ltd for the year ended 31 December 2022 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes from the Company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <https://www.icaew.com/regulation>.

This report is made solely to the Board of Directors of PinkNews Media Ltd, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the financial statements of PinkNews Media Ltd and state those matters that we have agreed to state to the Board of Directors of PinkNews Media Ltd, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than PinkNews Media Ltd and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that PinkNews Media Ltd has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of PinkNews Media Ltd. You consider that PinkNews Media Ltd is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or review of the financial statements of PinkNews Media Ltd. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

**Nyman Libson Paul LLP**

Chartered Accountants

124 Finchley Road  
London  
NW3 5JS  
31 August 2023

PINKNEWS MEDIA LTD

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £	As restated 2021 £
Turnover		5,535,867	3,996,191
Cost of sales		(263,355)	(112,794)
<b>Gross profit</b>		<u>5,272,512</u>	<u>3,883,397</u>
Administrative expenses		(3,773,696)	(2,187,339)
Other operating income		-	320,965
<b>Operating profit</b>		<u>1,498,816</u>	<u>2,017,023</u>
Interest receivable and similar income		1,020	86
Interest payable and similar expenses		(10,388)	(13,863)
<b>Profit before tax</b>		<u>1,489,448</u>	<u>2,003,246</u>
Tax on profit	4	(183,621)	(384,046)
<b>Profit for the financial year</b>		<u><u>1,305,827</u></u>	<u><u>1,619,200</u></u>

There was no other comprehensive income for 2022 (2021:£NIL).

The notes on pages 8 to 20 form part of these financial statements.

**PINKNEWS MEDIA LTD**  
**REGISTERED NUMBER: 05653301**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2022**

	Note	2022 £	2022 £	2021 £	2021 £
<b>Fixed assets</b>					
Intangible assets	5		11,543		651
Tangible assets	6		70,256		21,167
			81,799		21,818
<b>Current assets</b>					
Debtors: amounts falling due within one year	7	877,412		720,590	
Cash at bank and in hand	8	2,827,853		2,012,436	
		3,705,265		2,733,026	
Creditors: amounts falling due within one year	9	(467,828)		(691,518)	
<b>Net current assets</b>			3,237,437		2,041,508
<b>Total assets less current liabilities</b>			3,319,236		2,063,326
Creditors: amounts falling due after more than one year	10		(196,358)		(284,146)
<b>Provisions for liabilities</b>					
Deferred tax	12	(17,509)		(4,888)	
		(17,509)		(4,888)	
<b>Net assets</b>			3,105,369		1,774,292
<b>Capital and reserves</b>					
Called up share capital	13		1,526		1,526
Share premium account	14		34,674		34,674
Other reserves	14		25,250		-
Profit and loss account	14		3,043,919		1,738,092
			3,105,369		1,774,292



**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 31 DECEMBER 2022**

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The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

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

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 31 August 2023.

**A Millet**  
Director

The notes on pages 8 to 20 form part of these financial statements.

PINKNEWS MEDIA LTD

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital	Share premium account	Other reserves	Profit and loss account	Total equity
	£	£	£	£	£
<b>At 1 January 2021</b>	1,526	34,674	-	618,892	655,092
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	-	1,619,200	1,619,200
<b>Contributions by and distributions to owners</b>					
Dividends: Equity capital	-	-	-	(500,000)	(500,000)
<b>At 1 January 2022</b>	1,526	34,674	-	1,738,092	1,774,292
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	-	1,305,827	1,305,827
<b>Contributions by and distributions to owners</b>					
Capital contribution	-	-	25,250	-	25,250
<b>At 31 December 2022</b>	<u>1,526</u>	<u>34,674</u>	<u>25,250</u>	<u>3,043,919</u>	<u>3,105,369</u>

The notes on pages 8 to 20 form part of these financial statements.

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

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**1. General information**

PinkNews Media Group Limited is a private company limited by shares and registered in England & Wales. The address of its registered office is Wisteria Grange Barn, Pikes End, Pinner, London, HA5 2EX.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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

The following principal accounting policies have been applied:

**2.2 Going concern**

The company meets its day to day working capital requirements through the utilisation of its own funds, banking and loan facilities.

Existing funding facilities, forecasts and projections indicate that the company has adequate resources to continue with some level of activity from a minimal to full levels.

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

**2.3 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Digital advertising revenue is recognised over the period of the online campaign in accordance with the provision of services.

For revenue share arrangements with platform providers, revenue is recognised to the extent of the company's share, in line with industry practice.

Other revenue is recognised at the time of sale or over the duration of the provision of services as appropriate

**2.4 Operating leases: the Company as lessee**

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

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

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**2. Accounting policies (continued)**

**2.5 Grant income**

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

**2.6 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Office equipment	-	33%	Straight line
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

**2.7 Interest income**

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

**2.8 Finance costs**

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

**2.9 Borrowing costs**

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

**2.10 Pensions**

**Defined contribution pension plan**

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

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

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

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**2. Accounting policies (continued)**

**2.11 Share-based payments**

Share options granted in the holding company for the benefit of employees that are employed in this company are accounted for as an expense in this company. Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

**2.12 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

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

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

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

**2.13 Intangible assets**

**Goodwill**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of Income and Retained Earnings over its useful economic life.

The estimated useful lives range as follows:

Goodwill	-	4 years straight line
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**2. Accounting policies (continued)**

**2.14 Debtors**

Short term debtors are measured at transaction price, less any impairment.

**2.15 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

**2.16 Creditors**

Short term creditors are measured at the transaction price.

**2.17 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

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

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

**2.18 Financial instruments**

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

Debt instruments that are payable or receivable within one year, typically trade debtors and creditors are measured, initially and subsequently at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not at market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

**2.19 Dividends**

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

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

**3. Employees**

The average monthly number of employees, including directors, during the year was 56 (2021 - 41).

**4. Taxation**

	2022 £	2021 £
<b>Corporation tax</b>		
Current tax on profits for the year	217,666	382,525
Adjustments in respect of previous periods	(46,666)	-
	<u>171,000</u>	<u>382,525</u>
<b>Total current tax</b>	<u>171,000</u>	<u>382,525</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	8,419	1,521
Changes to tax rates	4,202	-
	<u>12,621</u>	<u>1,521</u>
<b>Total deferred tax</b>	<u>12,621</u>	<u>1,521</u>
<b>Taxation on profit on ordinary activities</b>	<u>183,621</u>	<u>384,046</u>

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

**4. Taxation (continued)****Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2021 - higher than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Profit on ordinary activities before tax	<u>1,489,448</u>	<u>2,003,246</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	282,995	380,617
<b>Effects of:</b>		
Expenses not deductible for tax purposes	28,021	2,516
Capital allowances for year in excess of depreciation	(4,897)	913
Changes to tax rates	4,202	-
Adjustments to tax charge in respect of prior periods	(46,666)	-
Research and development tax credit	(79,372)	-
Group relief	(662)	-
<b>Total tax charge for the year</b>	<u><u>183,621</u></u>	<u><u>384,046</u></u>

**Factors that may affect future tax charges**

There were no factors that may affect future tax charges.



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

5. Intangible assets

	Goodwill
	£
<b>Cost</b>	
At 1 January 2022	16,500
Additions	12,247
At 31 December 2022	28,747
<b>Amortisation</b>	
At 1 January 2022	15,849
Charge for the year on owned assets	1,355
At 31 December 2022	17,204
<b>Net book value</b>	
At 31 December 2022	11,543
At 31 December 2021	651

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

**6. Tangible fixed assets**

	Office equipment £
<b>Cost or valuation</b>	
At 1 January 2022	65,306
Additions	69,880
At 31 December 2022	<u>135,186</u>
<b>Depreciation</b>	
At 1 January 2022	44,139
Charge for the year on owned assets	20,791
At 31 December 2022	<u>64,930</u>
<b>Net book value</b>	
At 31 December 2022	<u><u>70,256</u></u>
At 31 December 2021	<u><u>21,167</u></u>

**7. Debtors**

	2022 £	2021 £
Trade debtors	588,255	596,918
Amounts owed by group undertakings	109,420	100,000
Other debtors	68,094	151
Prepayments and accrued income	111,643	23,521
	<u><u>877,412</u></u>	<u><u>720,590</u></u>

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

8. Cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	2,827,853	2,012,436
Less: bank overdrafts	(3,333)	(554)
	<u>2,824,520</u>	<u>2,011,882</u>

9. Creditors: Amounts falling due within one year

	2022 £	2021 £
Bank overdrafts	3,333	554
Bank loans	84,534	83,949
Trade creditors	102,968	25,110
Corporation tax	40,084	382,525
Other taxation and social security	189,100	65,873
Other creditors	15,234	108,957
Accruals and deferred income	32,575	24,550
	<u>467,828</u>	<u>691,518</u>

10. Creditors: Amounts falling due after more than one year

	2022 £	2021 £
Bank loans	196,358	284,146
	<u>196,358</u>	<u>284,146</u>

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

**11. Loans**

Analysis of the maturity of loans is given below:

	2022 £	2021 £
<b>Amounts falling due within one year</b>		
Bank loans	84,534	83,949
	<u>84,534</u>	<u>83,949</u>
<b>Amounts falling due 2-5 years</b>		
Bank loans	196,358	284,146
	<u>196,358</u>	<u>284,146</u>
	<u>280,892</u>	<u>368,095</u>

Barclays Bank Plc has a fixed and floating charge over the company and its assets.

**12. Deferred taxation**

	2022 £
At beginning of year	(4,888)
Charged to profit or loss	(12,621)
<b>At end of year</b>	<u>(17,509)</u>

The provision for deferred taxation is made up as follows:

	2022 £	2021 £
Accelerated capital allowances	(17,509)	(4,888)
	<u>(17,509)</u>	<u>(4,888)</u>

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

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13. Share capital

	2022	2021
	£	£
<b>Allotted, called up and fully paid</b>		
1,526 (2021 - 1,526) Ordinary £1 shares of £1.00 each	<u>1,526</u>	<u>1,526</u>

14. Reserves

**Share premium account**

The share premium account comprises any premiums received on the issue of share capital.

**Other reserves**

Other reserves is comprised of the fair value of the share options granted in its parent company, PinkNews Group Limited. PinkNews Group Limited has granted share options directly to the employees of its subsidiary undertaking. The share-based payment is expensed in the entity which employs the recipient of the share option, and with a corresponding capital contribution recognised in other reserves.

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

**15. Share-based payments**

During the prior year, PinkNews Group Limited granted 208,750 shares options to employees of PinkNews Media Limited at an exercise price of £0.50 each.

The purpose of granting the share options is to advance the interests of the Group's shareholders though attracting, retaining and motivating persons who make (or are expected to make) important contributions to the Group by providing such persons with opportunities for equity ownership and thereby better aligning the interests of such persons with those of the Group's shareholders. PinkNews Group Limited issues new shares for any options exercised. Share options typically vest over three years.

There are no individual performance conditions set for the employees to exercise their options after the vesting period other than that the employee must be in employment until and on the date of exercise of the options. Any options held by an employee who leaves the group before the end of the vesting period are forfeited, unless otherwise agreed to vest by Group management.

	Weighted average exercise price (pence) 2022	Number 2022	Weighted average exercise price (pence) 2021	Number 2021
Outstanding at the beginning of the year	50	152,750		-
Granted during the year		-	50	208,750
Forfeited during the year	50	(32,000)	50	(56,000)
<b>Outstanding at the end of the year</b>	<b>50</b>	<b>120,750</b>	<b>50</b>	<b>152,750</b>

The fair value of the share options was determined based on management's determination of an equivalent cash-based award.

The total expense recognised in profit or loss for the period was as follows:

	2022 £	2021 £
Equity-settled schemes	25,250	-
	<b>25,250</b>	<b>-</b>

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

**16. Prior year adjustment**

The directors have reviewed the accounting policy in regards to programmatic revenue where there is a revenue share arrangement. Their review included assessing what is now industry practice.

The previous accounting policy was to recognise the gross revenue and the platform providers revenue share as cost of sales. Following their review, the directors consider that industry practice is now to recognise only the company's revenue share in its financial statements and accordingly, the accounting policy has been updated.

Therefore, the comparative figures for turnover and cost of sales have been restated for the year ended 31 December 2021. This presentational restatement has no impact on the overall results for the year ended 31 December 2021.

	As previously stated 2021 £	Impact of adjustment £	As restated 2021 £
Turnover	7,165,992	(3,169,801)	3,996,191
Cost of sales	(3,282,595)	3,169,801	(112,794)
<b>Gross profit</b>	<u>3,883,397</u>	<u>-</u>	<u>3,883,397</u>

**17. Pension commitments**

The Company operates a defined contributions pension scheme whereby the company makes pension payments into the staff's own personal pension plan. The pension charge represents contributions payable by the Company and amounted to £38,811 (2021: £23,893). Contributions totalling £11,801 (2021: £5,508) were payable at the reporting date and are included in creditors.

**18. Controlling party**

PinkNews Group Limited owns all the share capital of PinkNews Media Ltd. Benjamin Cohen is the majority shareholder owning 68.81% of PinkNews Group Limited.

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