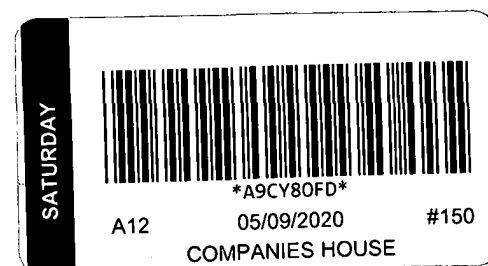


Registration number: 5830195

# DMGV Limited

Annual Report and Financial Statements

for the Year Ended 30 September 2019



## **DMGV Limited**

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## **DMGV Limited**

### **Company Information**

<b>Directors</b>	K J Beatty M Lopo De Carvalho F L Sallas
<b>Company secretary</b>	F L Sallas
<b>Registered office</b>	Northcliffe House 2 Derry Street London W8 5TT
<b>Solicitors</b>	Freshfields Bruckhaus Deringer Whitefriars 65 Fleet Street London EC4Y 1HT
<b>Bankers</b>	The Royal Bank of Scotland plc Corporate Services PO Box 34 15 Bishopsgate London EC2 2AP
<b>Independent auditors</b>	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 1 Embankment Place London EC2N 6RH

## **DMGV Limited**

### **Directors' Report for the Year Ended 30 September 2019**

The directors present their annual report on the affairs of the Company, together with the audited financial statements and Independent Auditors' Report for the year ended 30 September 2019.

#### **Principal activities**

The principal activity of the Company is to hold investments.

The Company is a wholly-owned subsidiary of Daily Mail and General Trust plc ("DMGT").

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. The Company has net current assets at 30 September 2019.

While the Company may be negatively impacted by COVID-19, 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. The Group has considered the impact of COVID-19 and has obtained new five-year trading forecasts which have been re-modelled to incorporate a pessimistic scenario and a plausible but severe scenario for the period through to 30 September 2021, from its trading subsidiaries together with short term projections from certain associates and financial assets at fair value through other comprehensive income to assist in this assessment. In addition, the Group directors considered the availability of the Group's committed but undrawn bank facilities of £380.0 million which expire in March 2023. In this severe but plausible scenario the Group does not forecast a draw down on its bank facilities nor does it forecast a breach of its banking covenants. After due consideration the Group directors have concluded that there is a reasonable expectation that the Group has adequate resources to continue in operational existence and provide financial support to its subsidiaries for at least twelve months from the date of this report.

After making enquiries, the directors therefore have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least twelve months from the date of this report. Thus they continue to adopt the going concern basis in preparing the financial statements.

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

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

K J Beatty

M Lopo De Carvalho

F L Sallas

A Perry (resigned 13 November 2018)

## **DMGV Limited**

### **Directors' Report for the Year Ended 30 September 2019**

#### **Results and dividends**

The profit for the financial year amounted to £1,706,000 (2018: loss of £3,351,000). The Company had total assets of £218,221,000 as at 30 September 2019 (2018: £180,753,000).

The directors consider that the closing total assets is the key performance indicator used to monitor the Company's performance.

The Company paid dividends of £nil during the year (2018: £nil).

The directors do not recommend a final dividend payment to be made in respect of the financial year ended 30 September 2019 (2018: £nil).

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

The principal risks and uncertainties the Company faces vary across the different businesses it owns and are the focus of the Company's directors. These risks are identified in the DMGT Risk Register. The materiality of each risk is assessed against a framework to determine its significance and likelihood of occurrence. The Risk Register is used to determine the agenda and activity of the DMGT group-wide Risk Committee. The Company exists to hold investments and the principal risk therefore is the performance of these investments which the directors monitor closely. The geographic spread and diverse portfolio of investments owned by the Company help to dilute the impact of some of the Company's key risks.

As noted in Note 2 Going concern and Note 16 Non adjusting events after the financial period, the COVID-19 pandemic and measures taken to contain the virus have impacted the valuation and recoverability of the Company's assets. The significance of the economic and geopolitical uncertainty risk has increased during the period because of the current COVID-19 pandemic and the containment measures put in place to control it. There is an increasing likelihood of an imminent and severe global recession.

The Company continues to pursue its disciplined investment programme and has reviewed it carefully in light of the current environment. Investment initiatives have been reprioritised, reflecting changing expected returns and the focus on return on investment, particularly as sectors experience faster digitisation trends. Each business has individual contingency plans in place, encompassing operational and strategic measures, which will be deployed in reaction to the evolving circumstances.

#### **Financial risk management objectives and policies**

##### ***Credit risk management***

The Company's principal credit risk relates to its other receivables and loans to associate undertaking and non-performance by other Group companies and associate undertaking.

## **DMGV Limited**

### **Directors' Report for the Year Ended 30 September 2019**

#### **Non adjusting events after the financial period**

On 29 November 2019 the Company's interest in Cazoo was diluted from 21.1% to 18.5%. Subsequent to the year end, the Company made additional investments of £55.0 million in Cazoo taking the Company's stake to 23.5%. The Directors have concluded that the Company does not possess the ability to exert significant influence over Cazoo and accordingly, its interest in Cazoo has been classified from investment in associate to financial assets at fair value through comprehensive income with a carrying value of £150.0 million.

On 5 December 2019, pursuant to a consolidation of the Group's holding structure, RCL was acquired by Rothermere Investments Limited (RIL), a company incorporated in Jersey, in the Channel Islands. RIL now holds 100% of DMGT's issued Ordinary Shares. The underlying control of DMGT, however, remains unchanged and continues to lie with a discretionary trust (the Trust) that is held for the benefit of Lord Rothermere and his immediate family. Both RIL and the Trust are administered in Jersey. RIL and its directors, and the Trust are related parties of the Company. RIL has subsequently renamed itself RCL.

Subsequent to the year end, the investment in Dailymail.com Australia Pty Ltd has been transferred to DMG Media Ltd. The carrying value of this investment at the reporting date is £nil.

On 30 January 2020 the World Health Organisation (WHO) declared a Health Emergency and on 11 March 2020 a Global Pandemic following the outbreak of Coronavirus (COVID-19).

IAS 10, Events After the Reporting Period, describes an adjusting post balance sheet event as one which provides evidence of conditions which existed at the balance sheet date which may lead to adjustments in the Company's financial statements and describes a non-adjusting post balance sheet event as one which is indicative of conditions that arose after balance sheet date.

Since a decline in future cash flows could result in an impairment and revaluation of the Company's assets, the Company has classified the COVID-19 pandemic as a non-adjusting post balance sheet event since the pandemic occurred after the balance sheet date.

As part of their assessment of the impact of the COVID-19 the Directors have obtained short term projections from certain associates and financial assets at fair value through other comprehensive income. These forecasts and projections have been used in the assessment of the carrying values of the Company's assets as at 31 March 2020.

The Directors' preliminary findings indicate a net reduction (excluding Cazoo) in the carrying values of financial assets at fair value through other comprehensive income of £1,099,000. These estimates may change as the impact of COVID-19 on the Company's business activities is better understood.

## **DMGV Limited**

### **Directors' Report for the Year Ended 30 September 2019**

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

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

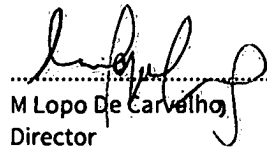
- so far as the directors are aware, there is no relevant audit information they know of which the Company's auditors are unaware; and
- the directors have taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that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

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

#### **Small companies provision statement**

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006. The directors have taken the exemption permitting small companies to omit a strategic report.

Approved by the Board on 30 June 2020 and signed on its behalf by:



M Lopo De Carvalho,  
Director

## **DMGV 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 elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether FRS 101 has been followed, subject to any material departures disclosed and explained in the financial statements;
- notify the Company's shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of the financial statements; 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 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.



# ***Independent auditors' report to the members of DMGV Limited***

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

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### **Opinion**

In our opinion, DMGV Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2019 and of its profit for the year 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: the Statement of Financial Position as at 30 September 2019; the Income Statement, the Statement of Comprehensive Income, and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

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### **Basis for opinion**

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

### **Independence**

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

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### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

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### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

## *Directors' Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 30 September 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

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

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

As explained more fully in the Statement of Directors' Responsibilities set out on page 6, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### *Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### *Use of this report*

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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## **Other required reporting**

### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

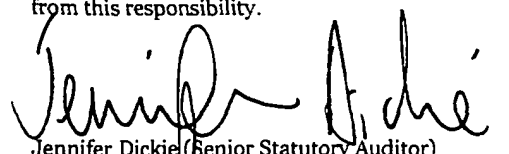
- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

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### **Entitlement to exemptions**

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. 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  
2 July 2020

## **DMGV Limited**

### **Income Statement for the Year Ended 30 September 2019**

		<b>Year ended 30 September 2019 £ 000</b>	<b>Year ended 30 September 2018 £ 000</b>
	<b>Note</b>		
Administrative expenses		<u>(58)</u>	<u>(2)</u>
Operating loss		<u>(58)</u>	<u>(2)</u>
Interest receivable and similar income	6	2,164	2,023
Other gains and losses	4	<u>-</u>	<u>(4,988)</u>
		<u>2,164</u>	<u>(2,965)</u>
Profit/(loss) before taxation		2,106	(2,967)
Tax on profit/(loss)	8	<u>(400)</u>	<u>(384)</u>
Profit/(loss) for the financial year		<u><u>1,706</u></u>	<u><u>(3,351)</u></u>

The notes on pages 14 to 33 form an integral part of these financial statements.

## **DMGV Limited**

### **Statement of Comprehensive Income for the Year Ended 30 September 2019**

		<b>Year ended 30 September 2019 £ 000</b>	<b>Year ended 30 September 2018 £ 000</b>
Profit/(loss) for the financial year		1,706	(3,351)
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Fair value movement of financial assets through other comprehensive income	10	<u>(2,595)</u>	<u>-</u>
<b>Total comprehensive expense for the year</b>		<u><b>(889)</b></u>	<u><b>(3,351)</b></u>

The notes on pages 14 to 33 form an integral part of these financial statements.

## DMGV Limited

### Statement of Changes in Equity for the Year Ended 30 September 2019

	<b>Called up share capital £ 000</b>	<b>Other reserves £ 000</b>	<b>Retained earnings £ 000</b>	<b>Total shareholders' funds £ 000</b>
At 1 October 2017	1,000	37,227	142,793	181,020
Loss for the financial year	-	-	(3,351)	(3,351)
Total comprehensive expense	-	-	(3,351)	(3,351)
At 30 September 2018	1,000	37,227	139,442	177,669

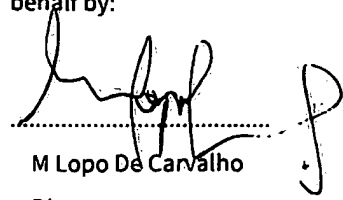
	<b>Called up share capital £ 000</b>	<b>Other reserves £ 000</b>	<b>Retained earnings £ 000</b>	<b>Total shareholders' funds £ 000</b>
At 30 September 2018	1,000	37,227	139,442	177,669
Adjustment for transition to IFRS 9 (see Note 2)	-	-	(9,691)	(9,691)
Restated at 1 October 2018	1,000	37,227	129,751	167,978
Profit for the financial year	-	-	1,706	1,706
Other comprehensive expense for the year	-	-	(2,595)	(2,595)
Total comprehensive expense	-	-	(889)	(889)
At 30 September 2019	1,000	37,227	128,862	167,089

The notes on pages 14 to 33 form an integral part of these financial statements.

**DMGV Limited****(Registration number: 5830195)****Statement of Financial Position as at 30 September 2019**

	Note	2019 £ 000	2018 £ 000
<b>Non-current assets</b>			
Investments	9	74,440	32,496
Financial assets at fair value through Other Comprehensive Income	10	9,169	-
Available for sale investments	10	-	4,210
Deferred tax assets	8	1,848	-
Trade and other receivables over one year	11	11,810	22,146
		<u>97,267</u>	<u>58,852</u>
<b>Current assets</b>			
Trade and other receivables less than one year	11	120,954	121,901
<b>Current liabilities</b>			
Trade and other payables	12	(51,132)	(3,084)
Net current assets		<u>69,822</u>	<u>118,817</u>
Net assets		<u>167,089</u>	<u>177,669</u>
<b>Capital and reserves</b>			
Called up share capital	13	1,000	1,000
Other reserves		37,227	37,227
Retained earnings		<u>128,862</u>	<u>139,442</u>
Shareholders' funds		<u>167,089</u>	<u>177,669</u>

The financial statements on pages 10 to 33 were approved by the Board on 30 June 2020 and signed on its behalf by:



M Lopo De Carvalho  
Director

## **DMGV Limited**

### **Notes to the Financial Statements for the Year Ended 30 September 2019**

#### **1 General information**

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

The address of its registered office is:

Northcliffe House

2 Derry Street

London

W8 5TT

United Kingdom

The principal activity of the Company is to hold investments.

The Company is a wholly-owned subsidiary of Daily Mail and General Trust plc ("DMGT").

These financial statements are presented in Pounds Sterling, which is the Company's functional and presentation currency, rounded to the nearest thousand pounds, and this is the currency of the primary economic environment in which the Company operates.

#### **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 DMGV Limited have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention as modified for the fair value of certain financial assets and liabilities, 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. The areas involving a higher degree of judgement or complexity, or areas where the assumptions and estimates are significant to the financial statements, are disclosed in note 3. As the Company is a wholly-owned subsidiary of a UK parent, it does not prepare consolidated financial statements as permitted by s400 Companies Act 2006. Consequently these financial statements give information about the Company rather than the Group.

## **DMGV Limited**

### **Notes to the Financial Statements for the Year Ended 30 September 2019**

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

##### **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. The Company has net current assets at 30 September 2019.

While the Company may be negatively impacted by COVID-19, 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. The Group has considered the impact of COVID-19 and has obtained new five-year trading forecasts which have been re-modelled to incorporate a pessimistic scenario and a plausible but severe scenario for the period through to 30 September 2021, from its trading subsidiaries together with short term projections from certain associates and financial assets at fair value through other comprehensive income to assist in this assessment. In addition, the Group directors considered the availability of the Group's committed but undrawn bank facilities of £380.0 million which expire in March 2023. In this severe but plausible scenario the Group does not forecast a draw down on its bank facilities nor does it forecast a breach of its banking covenants. After due consideration the Group directors have concluded that there is a reasonable expectation that the Group has adequate resources to continue in operational existence and provide financial support to its subsidiaries for at least twelve months from the date of this report.

After making enquiries, the directors therefore have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least twelve months from the date of this report. Thus they continue to adopt the going concern basis in preparing the financial statements.



## **DMGV Limited**

### **Notes to the Financial Statements for the Year Ended 30 September 2019**

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

Set out below are the applicable IFRS 1 exemptions applied by the Company under FRS 101.

##### **IFRS 1 exemption options**

###### **Standards issued but not effective**

The Company has applied the exemption available under FRS 101 in relation to paragraphs 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued and is not yet effective).

##### **Cash Flow Statement**

The Company has utilised the exemptions provided under IAS 7 'Statement of Cash Flows' and has not presented a cash flow statement. A consolidated cash flow statement has been presented in the Group's Annual Report.

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

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101: Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation) and the requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

##### **Financial instruments: Disclosures**

The Company has applied the exemption of the requirements of IFRS 7 Financial Instruments: Disclosures, as the equivalent disclosures are included in the consolidated financial statements of the group in which the Company is consolidated.

##### **Exemption from comparative information**

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101: Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of paragraph 79(a)(iv) of IAS 1.

#### **Changes resulting from adoption of IFRS 9**

IFRS 9 Financial Instruments became mandatorily effective on 1 October 2018. The Company has applied IFRS 9 for the first time in this accounting period which has resulted in changes to the accounting policies. The nature and effect of these changes are described below.

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities; derecognition of financial instruments; impairment of financial assets; and hedge accounting.

The adoption of IFRS 9 has resulted in changes to the accounting policies and adjustments to the amounts recognised in the financial instruments, combining the aspects; classification and measurement; and impairment. The impact of IFRS 9 on the financial statements of the Company have been evaluated.

In accordance with the transitional provisions of IFRS 9 the Company has adopted IFRS 9 on a modified retrospective basis such that comparative figures have not been restated and remain in line with the requirements of IAS 39.

## DMGV Limited

### Notes to the Financial Statements for the Year Ended 30 September 2019

The following tables show how the adjustments impacted the financial statements for each individual line item. Line items that were not affected by the changes have not been included. The adjustments are explained in more detail below.

#### Impact on Statement of Financial Position as at 30 September 2018

		As originally reported 30 September 2018 £ 000	IFRS 9 adjustments £ 000	As restated 1 October 2018 £ 000
	Note			
<b>Assets</b>				
<b>Non-current assets</b>				
Financial Assets at Fair Value Through Other Comprehensive Income (2018: Available for sale investments)				
	10	4,210	233	4,443
Loans to associate undertaking	11	21,646	(12,000)	9,646
Deferred tax assets	8	-	2,076	2,076
		<u>25,856</u>	<u>(9,691)</u>	<u>16,165</u>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Retained earnings		<u>139,442</u>	<u>(9,691)</u>	<u>129,751</u>

#### Adoption of IFRS 9

##### Classification and measurement

Under IFRS 9, there are three classification categories for financial assets: measured at amortised cost, at fair value through profit or loss, and at fair value through other comprehensive income. IFRS 9 eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale. The main effect resulting from this reclassification relates to the Company's equity investments which under IAS 39 were classified as available for sale whilst under IFRS 9 are now classified as Fair Value through Other Comprehensive Income. As a result, all fair value movements are now recorded in Other Comprehensive Income and gains and losses will not be recycled to the Income Statement on disposal although dividend income will continue to be recorded in the Income Statement. A fair value gain of £233,000 has been recorded on transition to IFRS 9.

The Company's management has assessed which business models apply to the financial assets held and has reclassified its financial instruments into the appropriate IFRS 9 categories. Please see the Financial Instruments accounting policy for further details.

## **DMGV Limited**

### **Notes to the Financial Statements for the Year Ended 30 September 2019**

#### **Impairment**

The adoption of IFRS 9 has fundamentally changed the accounting for impairment losses by replacing IAS 39's incurred loss model with an expected credit loss model.

The new model applies to all debt instruments not held at fair value through profit or loss and contract assets, and requires the Company to account for expected credit losses and any changes at each reporting date to reflect changes in credit risk since initial recognition. Please see the Financial Instruments accounting policy for further details.

The Group applies the IFRS 9 simplified approach to measuring impairment allowances using a lifetime expected credit loss provision for long-term receivables from associates. To estimate a range of expected credit losses for long-term receivables from associates, the probability of default tables based on the associates' proxy credit rating were used together with EBITDA multiples of the associates based on the total projected amount outstanding at maturity date. The IFRS 9 ECL model has resulted in an ECL loss of £12,000,000 on transition to IFRS 9 in relation to long-term receivables from associates and a related deferred tax asset of £2,076,000. The adoption of IFRS 9 ECL model for amounts owed by group undertakings has resulted in a negligible impact on the Company's financial statements.

#### **Dividends**

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

#### **Investments**

Investments in subsidiaries, associates and joint ventures are measured at cost less accumulated impairment. Impairment reviews are performed when there is an indicator that the carrying value of the shares in investments could exceed their recoverable values based on their value in use or fair value less costs to sell. Fair value less costs to sell is calculated using either a revenue multiple based on comparable companies in the same industry or based on the last value of equity funding.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

#### **Financial instruments (post 1 October 2018)**

Financial assets and financial liabilities are recognised on the Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to settle on a net basis, or realise the asset and liability simultaneously and where the Company intends to net settle.

## **DMGV Limited**

### **Notes to the Financial Statements for the Year Ended 30 September 2019**

#### **Financial assets**

##### *Trade receivables*

Trade receivables are mainly amounts due from DMGT group companies and loans to associate undertaking. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Trade receivables do not carry interest and are recognised initially at the value of the invoice sent to the customer, i.e. amortised cost and subsequently reduced by allowances for estimated irrecoverable amounts.

Estimates are used in determining the level of receivables that will not, in the opinion of the Directors, be collected. In the current year the Company applies the simplified approach permitted by IFRS 9, which requires the use of the lifetime expected loss provision for all receivables, including contract assets. These estimates are based on historic credit losses, macro-economic and specific country-risk considerations with higher default rates applied to older balances. For loans to associate undertakings, the probability of default tables based on the associate's proxy credit rating were used together with EBITDA multiples based on the total projected amount outstanding at maturity date.

In addition if specific circumstances exist which would indicate that the receivable is irrecoverable a specific provision is made. A provision is made against trade receivables and contract assets until such time as the Company believes there to be no reasonable expectation of recovery, after which the trade receivable or contract asset balance is written off.

In the prior year, under IAS 39, impairment losses relating to trade receivables were recorded when a loss event occurred.

##### *Financial assets at fair value through other comprehensive income*

Financial assets are recognised and derecognised on a trade date where a purchase or sale of an investment is under a contract whose terms require delivery of the investment within the time frame established by the market concerned, and are measured at fair value, including transaction costs.

In the current year, as permitted by IFRS 9, the Company classifies its Financial Assets at Fair Value through Other Comprehensive Income. All fair value movements are recorded in Other Comprehensive Income and gains and losses are not recycled to the Income Statement on disposal.

Dividend income from Financial assets held at fair value through other comprehensive income is recorded in the Income Statement.

Unlisted equity investments are valued using a variety of approaches including comparable company valuation multiples and discounted cash flow techniques. In extremely limited circumstances, where insufficient recent information is available to measure fair value or when there is a wide range of possible fair value measurements, cost is used since this represents the best estimate of fair value in the range of possible valuations.

The fair value of listed equity investments is determined based on quoted market prices.

## **DMGV Limited**

### **Notes to the Financial Statements for the Year Ended 30 September 2019**

#### **Available for sale Investments**

In the prior period available for sale investments were classified as either fair value through profit or loss or available for sale. For available for sale investments, gains and losses arising from changes in fair value were recognised directly in equity, until the investment is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in the net profit or loss for the period.

The fair value of listed investments was determined based on quoted market prices. Unlisted investments were recorded at cost less provision for impairment with their recoverable amount determined by discounting future cash flows to present value using market interest rates.

#### **Financial liabilities and equity instruments**

##### *Trade payables*

Trade payables are non-interest bearing and are stated at their nominal value.

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below:

##### *Capital market and bank borrowings*

Interest bearing loans and overdrafts are initially measured at fair value (which is equal to net proceeds at inception), and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds, net of transaction costs and the settlement or redemption of borrowings is recognised over the term of the borrowing.

##### *Equity instruments*

Equity instruments issued by the Group are recorded at the proceeds received, net of transaction costs.

#### **Classification and measurement**

Financial instruments are classified at inception into the following categories, which then determine the subsequent measurement methodology:

Financial assets are classified into these categories:

- financial assets at amortised cost (trade and other receivables);
- financial assets at fair value through other comprehensive income (FVTOCI).

Financial liabilities are classified into this category:

- financial liabilities at amortised cost (trade and other payables).

## **DMGV Limited**

### **Notes to the Financial Statements for the Year Ended 30 September 2019**

#### **Impairment of financial assets**

##### *Measurement of Expected Credit Losses*

The Company recognises loss allowances for expected credit losses (ECL) on financial instruments that are not measured at FVPTL, namely:

- Financial assets that are debt instruments; and
- Accounts and other receivables.

The Company classifies its financial instruments into stage 1, stage 2 and stage 3, based on the applied impairment methodology, as described below:

Stage 1: for financial instruments where there has not been a significant increase in credit risk since initial recognition and that are not credit-impaired on origination, the Company recognises an allowance based on the 12-month ECL.

Stage 2: for financial instruments where there has been a significant increase in credit risk since initial recognition but they are not credit-impaired, the Company recognises an allowance for the lifetime ECL.

Stage 3: for credit-impaired financial instruments, the Company recognises the lifetime ECL.

A 12-month ECL is the portion of the ECL that results from default events on a financial instrument that are probable within 12 months from the reporting date.

Provisions for credit-impairment are recognised in the statement of income and are reflected in accumulated provision balances against each relevant financial instruments balance.

#### **Tax**

Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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.

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.

## DMGV Limited

### Notes to the Financial Statements for the Year Ended 30 September 2019

#### Other reserves

The other reserve is non-distributable and represents intercompany balances waived following a restructure of the Associated Northcliffe Digital property division. This was offset by the investment in a subsidiary which was written off due to the transaction.

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

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of certain financial assets, liabilities, income and expenses.

The use of estimates and assumptions is principally limited to the determination of provisions for impairment and the valuation of financial instruments as explained in more detail below:

#### Provisions for impairment

In determining impairment of financial assets, estimation is required in the amount and timing of future cash flows as well as an assessment of whether the credit risk on the financial asset has increased significantly since initial recognition and incorporation of forward-looking information in the measurement of ECL.

#### Fair value of financial assets and liabilities

Where the fair value of financial assets and liabilities cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The input to these models is derived from observable markets where available, but where this is not feasible, a degree of estimation is required in determining assumptions used in the models. Changes in assumptions used in the models could affect the reported fair value of financial assets and liabilities.

### 4 Other gains and losses

	Year ended 30 September 2019 £ 000	Year ended 30 September 2018 £ 000
Impairment of investments	-	(5,263)
Profit on sale of investments	-	275
	<u>-</u>	<u>(4,988)</u>

In the prior year, impairment of investments includes provisions of £1,600,000 against the investment in Eatfirst UK Ltd and £3,372,000 against the investment in Dailymail.com Australia Pty Limited.

In the prior year, the Company disposed of its investment in Artirix Limited resulting in a profit of £275,000.

## DMGV Limited

### Notes to the Financial Statements for the Year Ended 30 September 2019

#### 5 Auditors' remuneration

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

The Company's audit fees of £25,000 (2018: £24,200) have been borne by DMGT plc.

#### 6 Interest receivable and similar income

	Year ended 30 September 2019 £ 000	Year ended 30 September 2018 £ 000
Interest income on loans to associates	<u>2,164</u>	<u>2,023</u>

Interest is receivable on a loan to Excalibur Debtco Limited at a rate of 10% per annum.

#### 7 Employees

The Company has no employees during the year (2018: nil) other than the directors. The remuneration of the directors are borne by other fellow group companies.

The key management personnel of the Company is considered to be the same as the directors of the Company.

The directors' remuneration for the year was as follows:

	Year ended 30 September 2019 £ 000	Year ended 30 September 2018 £ 000
Remuneration	<u>288</u>	<u>198</u>

During the year one (2018 one) director was remunerated.

In respect of the highest paid director:

	Year ended 30 September 2019 £ 000	Year ended 30 September 2018 £ 000
Remuneration	<u>288</u>	<u>198</u>



## DMGV Limited

### Notes to the Financial Statements for the Year Ended 30 September 2019

The services of other directors 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.

#### 8 Tax on profit/(loss)

Tax charged in the income statement

	Year ended 30 September 2019 £ 000	Year ended 30 September 2018 £ 000
<b>Current taxation</b>		
UK corporation tax	172	384
<b>Deferred taxation</b>		
Arising from origination and reversal of temporary differences	228	-
Tax expense in the income statement	400	384

The tax on loss before tax for the year is the same as the standard rate of corporation tax in the UK (2018 - higher than the standard rate of corporation tax in the UK) of 19% (2018 - 19%).

The differences are reconciled below:

	2019 £ 000	2018 £ 000
Profit/(loss) before tax	2,106	(2,967)
Corporation tax at standard rate	400	(564)
Effect of income exempt from taxation	-	(52)
Effect of expenses not deductible in determining taxable profit/(loss)	-	1,000
Total tax charge	400	384

## **DMGV Limited**

### **Notes to the Financial Statements for the Year Ended 30 September 2019**

The main rate of UK corporation tax was 19% (2018: 19%) throughout the period, accordingly, current tax has been provided for at an effective rate of 19% (2018: 19%) in these financial statements.

Under FRS 101, deferred tax is calculated at the tax rate that has been enacted or substantively enacted at the balance sheet date. Legislation was enacted in September 2016 to reduce the main rate of UK corporation tax from 19% to 17%. Hence, the tax rate of 17% has been applied in the calculation of deferred tax except where the timing difference is expected to reverse before 1 April 2020 in which case the appropriate rate has been used.

#### **Deferred tax**

Deferred tax asset movement during the current year:

	<b>Deferred tax on loans and borrowings £ 000</b>
At 30 September 2018	-
Adjustment for transition to IFRS 9 (see note 2)	<u>2,076</u>
Restated at 1 October 2018	2,076
Recognised in income	<u>228</u>
At 30 September 2019	<u><u>1,848</u></u>

The directors are of the opinion that it is more likely than not that the level of profits in future financial years in the Company and the wider UK group will be sufficient to recover the recognised deferred tax asset. The Company does not have any unprovided deferred tax on temporary differences.

## DMGV Limited

### Notes to the Financial Statements for the Year Ended 30 September 2019

#### 9 Investments

	<b>Subsidiaries</b> <b>£ 000</b>	<b>Associates</b> <b>£ 000</b>	<b>Joint</b> <b>Ventures</b> <b>£ 000</b>	<b>Total</b> <b>£ 000</b>
<b>Cost or valuation</b>				
At 1 October 2017	51,392	5,051	2,853	59,296
Additions	-	30,645	-	30,645
Disposals	-	(1,600)	(2,853)	(4,453)
At 30 September 2018	51,392	34,096	-	85,488
Additions	-	44,463	-	44,463
Disposals	(48,020)	-	-	(48,020)
Transfers	-	(4,119)	-	(4,119)
At 30 September 2019	3,372	74,440	-	77,812
<b>Provision</b>				
At 1 October 2017	(48,020)	(1,600)	(2,853)	(52,473)
Provision	(3,372)	(1,600)	-	(4,972)
Eliminated on disposals	-	1,600	2,853	4,453
At 30 September 2018	(51,392)	(1,600)	-	(52,992)
Eliminated on disposals	48,020	-	-	48,020
Transfers	-	1,600	-	1,600
At 30 September 2019	(3,372)	-	-	(3,372)
<b>Carrying amount</b>				
At 30 September 2019	-	74,440	-	74,440
At 30 September 2018	-	32,496	-	32,496

#### Subsidiaries

During the current year, disposals relate to the dissolution of ExERH Limited and Rentalsystems.com.

In the prior year, the Company fully impaired its investment in Dailymail.com Australia Pty Limited.

The subsidiary has share capital consisting of ordinary shares that are held directly by the Company. Details of the subsidiary as at 30 September 2019 are as follows:

## DMGV Limited

### Notes to the Financial Statements for the Year Ended 30 September 2019

Name of subsidiary	Principal activity	Country of incorporation and principal place of business	Proportion of ownership interest and voting rights held	
			2019	2018
Dailymail.com Australia Pty Limited	Online publishing	Australia	100%	100%

The registered office of Dailymail.com Australia Pty Limited is:  
Level 12, 207 Kent Street, Sydney, NSW 2000

#### Associates

The Company holds a number of associate undertakings. The registered address, principal activity and shareholding in these associate undertakings is:

Excalibur Holdco Limited (23.9%, B Ordinary shares) - an online retail company. Wowcher Towers, 12-27 Swan Yard, Islington, London N1 1SD

Independent Television News Limited (20%, Ordinary shares) - television production company. 200 Grays Inn Road, London, WC1X 8XZ

Yopa Property Limited (45.3%, C-1 Preference, C-2 Preference, C-3 Preference shares) - online property portal. 22 Arlington Street, London, England, SW1A 1RD

Cazoo Ltd (21.1%, Series A shares) - online used car sales platform provider. 40 Churchway, London NW1 1LW

Bricklane Technologies Ltd (16.5%, Preference shares) - property investment platform provider. Floor 3, 26 Finsbury Square, London, EC2A 1DS

Entale Media Ltd (36.8%, Preference shares) - podcast platform provider. C/O Founders Factory Limited, Northcliffe House, Young Street, London, W8 5EH

During the year, the Company's loan notes have been converted into shares in the capital of Bricklane Technologies Ltd (Bricklane) amounting to £500,000. The Company acquired further shareholding in Bricklane during the year for a total consideration of £2,000,000 comprising of £1,167,000 cash and £833,000 media credits.

The Company has increased its investments in Yopa Property Limited for total consideration of £11,900,000 increasing its shareholding from 25.8% to 45.3%.

The Company has also acquired shareholding in Entale Media Ltd for a consideration of £2,000,000.

The Company also acquired shareholding in Cazoo Ltd (Cazoo) during the year with total investments of £27,500,000 which includes £5,000,000 media credits.

#### Joint Venture

The Company held a joint venture undertaking during the prior year. The registered address, principal activity and shareholding was:

Artirix Limited (50%) - software development company. Unit 10 1 Luke Street, London, EC2A 4PX

During the prior year, the Company disposed of its investment in Artirix Limited resulting in a profit of £275,000.

## DMGV Limited

### Notes to the Financial Statements for the Year Ended 30 September 2019

#### 10 Financial Assets at Fair Value through Other Comprehensive Income

	<b>Financial assets £ 000</b>
At 1 October 2017 Available for sale Investments	2,251
Additions	2,250
Provision	<u>(291)</u>
At 30 September 2018 Available for sale Investments	4,210
Adjustment for transition to IFRS 9 (note 2)	<u>233</u>
Restated at 1 October 2018 Financial assets at fair value through Other Comprehensive Income	<u>4,443</u>
Additions	4,802
Fair value movement in the period	(2,595)
Transfers	<u>2,519</u>
At 30 September 2019 Financial assets at fair value through Other Comprehensive Income	<u>9,169</u>

#### Financial assets at Fair Value Through Other Comprehensive Income

The Company holds financial assets in the following companies. The registered address, principal activity and shareholding in these undertakings is:

Media Investors 17, LLC (previously TigerBeat Media LLC) (12.8%, Membership interests) - online publishing.

The Corporation Trust Company, 1209 Orange Street, Wilmington, DE 19801, United States

Taboola.com Limited (0.4%, Ordinary shares) - online marketing. 7 Totseret Haaretz St., Tel-Aviv Israel

Kortext Limited (11.3%, Ordinary, Preference shares) - online publishing. 26-32 Oxford Road, Suite B, 6th Floor, Avalon House, Bournemouth, Dorset, BH8 8EZ

LDR Realisations 2019 Ltd (previously Labrador Ltd) (8.6%, Ordinary shares) - information technology and services. 8 Greencoat Place, London, SW1P 1PL

Plandek Limited (2.5%, Ordinary B shares) - software development company. Unit 10, 1 Luke Street, London, EC2A 4PX

Live Better With Limited (4.6%, B Ordinary shares) - a healthcare platform provider for people living with long-term conditions. Rocketspace, 40 Islington High Street, London, N1 8XB

Lindentor 226. V V GmbH (previously Eatfirst UK Ltd) (0.1%, Common shares) - direct marketing services. Charlottenstr. 4, D-10969, Berlin, Germany

Laundrapp Ltd (1.7%, Ordinary, Preference shares) - dry cleaning and laundry application provider. 62-70 Shorts Gardens, Covent Garden, London WC2H 9AH

Farewill Ltd (7.2%, A Preference shares) - an online-based will-writing service provider. Unit 7 1a Arbutus Street, London, E8 4DT

Quick Move Ltd (5.7%, Ordinary shares) - e-commerce business for the purchase and resale of pre-owned luxury goods. 86-90 Paul Street, London EC2A 4NE

## DMGV Limited

### Notes to the Financial Statements for the Year Ended 30 September 2019

During the year, the Company acquired shareholdings in Farewill Ltd and Quick Move Ltd for consideration totalling £1,700,000.

The Company acquired further shareholding in Kortext Limited for £3,000,000 increasing its shareholding from 2.4% to 11.3%.

During the year, investments in Laundrapp Ltd and Eatfirst UK Ltd, previously associates, have been diluted, and the investments have been classified within financial assets at fair value through Other Comprehensive Income.

#### 11 Trade and other receivables

	30 September 2019 £ 000	30 September 2018 £ 000
<b>Current</b>		
Amounts owed by group undertakings	120,901	121,401
Other receivables	53	500
Total trade and other receivables less than one year	<u>120,954</u>	<u>121,901</u>

Amounts owed by group undertakings are interest free and repayable on demand.

	At 30 September 2019 £ 000	At 30 September 2018 £ 000
<b>Non-current</b>		
Loans to associate undertaking	23,810	21,646
Loss allowance provision	(12,000)	-
	<u>11,810</u>	<u>21,646</u>
Other receivables	-	500
Total trade and other receivables over one year	<u>11,810</u>	<u>22,146</u>

In the prior year, the Company received additional loan notes in Excalibur Debtco Limited for consideration of £3,675,000. During the year, £2,164,000 (2018 £2,023,000) interest accrued on loan notes held in Excalibur Debtco Limited at a rate of 10% per annum. The loan note is repayable on 31 December 2025.

## DMGV Limited

### Notes to the Financial Statements for the Year Ended 30 September 2019

Movement in the impairment allowance is as follows:

	At 30 September 2019 £ 000
<b>At 30 September 2018 - calculated under IAS 39</b>	-
Adjustment for transition to IFRS 9 (see note 2)	<u>(12,000)</u>
<b>Restated at 1 October 2018</b>	(12,000)
Movement in the year	<u>-</u>
<b>At 30 September 2019 - calculated under IFRS 9</b>	<u><u>(12,000)</u></u>

IFRS 9 introduced an expected credit loss (ECL) model which requires an impairment provision to be made on initial recognition of the receivable which in the prior year under IAS 39 was required only when a loss event occurred. The Group applies the IFRS 9 to measuring impairment allowances using a lifetime expected credit loss provision for long-term receivables from associates. To estimate a range of expected credit losses for long-term receivables from associates, the probability of default tables based on the associates' proxy credit rating were used together with EBITDA multiples of the associates based on the total projected amount outstanding at maturity date.

The IFRS 9 ECL model has resulted in an ECL loss of £12,000,000 on transition to IFRS 9 in relation to long-term receivables from associate undertakings.

#### 12 Trade and other payables

	30 September 2019 £ 000	30 September 2018 £ 000
<b>Current liabilities</b>		
Accruals and deferred income	8,144	2,352
Amounts owed to group undertakings	42,816	348
Group relief payable	<u>172</u>	<u>384</u>
	<u><u>51,132</u></u>	<u><u>3,084</u></u>

Amounts owed to group undertakings relate to A&N Media Finance Services Limited and are interest free and repayable on demand.

## DMGV Limited

### Notes to the Financial Statements for the Year Ended 30 September 2019

#### 13 Called up share capital

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

	At 30 September 2019		At 30 September 2018	
	Number	£	Number	£
Ordinary shares of £1 each	1,000,000	1,000,000	1,000,000	1,000,000

#### 14 Related party transactions

The Company has taken advantage of the exemptions under IAS 24 'Related party disclosures' not to disclose transactions or balances with entities that are part of the DMGT Group.

During the year the Company accrued £2,164,000 (2018 £2,023,000) of interest receivable on loan notes held in Excalibur Debtco Limited (Excalibur). The balance owed to the Company including accrued interest at 30 September 2019 is £23,810,000 (2018 £21,646,000). At 30 September 2019, the Company had made an expected lifetime impairment allowance of £12,000,000 (2018 on transition to IFRS 9 £12,000,000) in relation to amounts due from Excalibur. Services provided to Excalibur by a fellow group undertaking totalled £507,000 (2018 £611,000) during the year. Other amounts due from Excalibur amounted to £93,000 (2018 £110,000) at 30 September 2019.

The Company has a 45.3% (2018 25.8%) shareholding in Yopa Property Limited (Yopa), an associate. During the year, fellow group undertakings provided services to Yopa amounting to £603,000 (2018 £466,000). At 30 September 2019, £92,000 (2018 £97,000) was owed by Yopa to a fellow group undertaking. During the year, Yopa provided services to fellow group undertakings amounting to £130,000 (2018 £nil).

The Company has a 16.5% shareholding in Bricklane Technologies Ltd (Bricklane), an associate acquired during the year. During the year, fellow group undertakings provided services to Bricklane amounting to £367,000 (2018 £nil).



## **DMGV Limited**

### **Notes to the Financial Statements for the Year Ended 30 September 2019**

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

The Company is controlled by Rothermere Continuation Limited (RCL), which is incorporated in Bermuda. The main asset of RCL is its 100% holding of DMGT's issued Ordinary shares. RCL has controlled DMGT for many years and as such is its immediate parent company. 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, in the Channel Islands. RCL and its directors, and the Trust are related parties of the Company.

On 5 December 2019, pursuant to a consolidation of the Group's holding structure, RCL was acquired by Rothermere Investments Limited (RIL), a company incorporated in Jersey. RIL now holds 100% of DMGT's issued Ordinary Shares. The underlying control of the Company, however, remains unchanged and continues to lie with the Trust. RIL is administered in Jersey, and RIL and its directors are also related parties of the Company. RIL has subsequently renamed itself RCL. The Company's immediate parent undertaking at the period end date is Daily Mail and General Holdings Limited.

The ultimate parent is Rothermere Continuation Limited (RCL) at the period end date.

#### **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

## **DMGV Limited**

### **Notes to the Financial Statements for the Year Ended 30 September 2019**

#### **16 Non adjusting events after the financial period**

On 29 November 2019 the Company's interest in Cazoo was diluted from 21.1% to 18.5%. Subsequent to the year end, the Company made additional investments of £55.0 million in Cazoo taking the Company's stake to 23.5%. The Directors have concluded that the Company does not possess the ability to exert significant influence over Cazoo and accordingly, its interest in Cazoo has been classified from investment in associate to financial assets at fair value through comprehensive income with a carrying value of £150.0 million.

On 5 December 2019, pursuant to a consolidation of the Group's holding structure, RCL was acquired by Rothermere Investments Limited (RIL), a company incorporated in Jersey, in the Channel Islands. RIL now holds 100% of DMGT's issued Ordinary Shares. The underlying control of DMGT, however, remains unchanged and continues to lie with a discretionary trust (the Trust) that is held for the benefit of Lord Rothermere and his immediate family. Both RIL and the Trust are administered in Jersey. RIL and its directors, and the Trust are related parties of the Company. RIL has subsequently renamed itself RCL.

Subsequent to the year end, the investment in Dailymail.com Australia Pty Ltd has been transferred to DMG Media Ltd. The carrying value of this investment at the reporting date is £nil.

On 30 January 2020 the World Health Organisation (WHO) declared a Health Emergency and on 11 March 2020 a Global Pandemic following the outbreak of Coronavirus (COVID-19).

IAS 10, Events After the Reporting Period, describes an adjusting post balance sheet event as one which provides evidence of conditions which existed at the balance sheet date which may lead to adjustments in the Company's financial statements and describes a non-adjusting post balance sheet event as one which is indicative of conditions that arose after balance sheet date.

Since a decline in future cash flows could result in an impairment and revaluation of the Company's assets, the Company has classified the COVID-19 pandemic as a non-adjusting post balance sheet event since the pandemic occurred after the balance sheet date.

As part of their assessment of the impact of the COVID-19 the Directors have obtained short term projections from certain associates and financial assets at fair value through other comprehensive income. These forecasts and projections have been used in the assessment of the carrying values of the Company's assets as at 31 March 2020.

The Directors' preliminary findings indicate a net reduction (excluding Cazoo) in the carrying values of financial assets at fair value through other comprehensive income of £1,099,000. These estimates may change as the impact of COVID-19 on the Company's business activities is better understood.