

DVV Media International Limited

Annual Report and Financial Statements

For the year ended 31 December 2021

Company Registration No. 07464854 (England and Wales)

DVV Media International Limited

Company Information

Directors	I Salter M Weber
Secretary	J Cook
Company number	07464854
Registered office	1st Floor Chancery House St Nicholas Way Sutton Surrey England SM1 1JB
Auditors	Moore Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD

DVV Media International Limited

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DVV Media International Limited

Strategic Report

For the year ended 31 December 2021

The directors present the strategic report and financial statements for the year ended 31 December 2021.

DVV Media International Limited is a business engaged in the provision of information, publishing, events and marketing solutions covering a number of business-to-business market sectors. During 2019 the business extended its market footprint with a number of acquisitions. The business has a broad portfolio of market leading media activities covering events, data, digital and printed products and services.

The on-going impact of the COVID pandemic, (severely hindering both our events activities and the Aerospace publishing division), particularly in the first half of the year has seen the business report a loss before tax of £6,477,329. This is despite significant cost actions and reliance on UK Government Job Retention Scheme.

Business Review

Our 2021 performance is very much a story of two halves, with significant profit improvement evident when the UK restrictions around live events were lifted from July. Prior to that, the inability to deliver live events and the on-going depressed state of the aerospace sector due to travel restrictions had an adverse impact on some of our key revenue lines – only the Road and HR Divisions demonstrated strong advertising resilience. From September we were able to run our awards ceremonies, conferences and exhibitions, all were well attended and supported with industry sponsorship. It is clear when all restrictions are lifted, both domestically and internationally, the brands are well placed to deliver a full programme of successful events for our clients.

We remain strongly supported by the parent company Rheinische Post Mediengruppe and have received strong cash support during 2021.

The business remains focused on the strategic development of its brands:

- A new exhibition Road Transport Expo was launched during 2021 and the inaugural event will be held in summer 2022. This new truck-focused event fills a gap in the market and is a powerful new addition to the Road product portfolio.

A new specialist Audience Development Director joined the business at the start of 2021 to drive the digital subscriptions area of the business. A new subscription service for occupational health professionals was launch in June 2021 and a number of enhancements to the Railway Gazette Premium subscription have been delivered. Tight cost control is an on-going focus of the senior management team. Print, paper and distribution costs were managed through a switch to digital publishing for some of our printed journals, while for others a frequency change was implemented. During 2021 the organisational restructure from September 2020 was fully embedded in the business driving efficiency gains across many central business services, while a new sales CRM system was implemented to drive sales efficiency.

DVV Media International Limited

Strategic Report (Continued)

For the year ended 31 December 2021

Principal Risks and Uncertainties

The Directors consider the following to be the principle risks and uncertainties facing the company:

- While the COVID restrictions are beginning to lift, the Directors remain cautious about the speed of recovery of the business, particularly for our international events in Rail and the HR sectors. Any new COVID variant or a return to lockdown would be a concern.
- Long delivery lead times in the UK commercial vehicle sector is currently impacting on the liquidity in the UK used vehicle market causing risk for the Commercial Motor classified business, which relies on used truck dealer advertising.
- The Directors continue to monitor the recover in the Aerospace sector closely. It remains the Directors' belief, the underlying requirement for air travel will recover strongly during 2022 and there are already encouraging signs industry suppliers are increasing their marketing activity in the second half of 2021
- With the exception of some minor process and administrative alterations mainly around VAT, the business is unaffected by the terms of the UK-EU Trade and Cooperation Agreement. While any general slowdown in the UK economic growth, due to Brexit, would be a concern for those divisions serving the UK sector, our increasingly international portfolio should balance some of this impact.

The Directors keep these risks under constant review and take mitigating actions where possible and appropriate.

Future Developments

The business continues to invest in its strategic development across all Divisions and activities – particularly digital subscriptions and events. A new business development steering group has been formed, comprising senior management leaders to accelerate new product development across the portfolio.

Key Performance indicators

The business runs with many financial and operational KPIs ranging from ensuring strong cashflow and reducing overdue debt through to print circulation and digital audience development. All key revenue streams are monitored weekly, which together with tight departmental costs control, is designed to ensure financial and business objectives are secured.

Forward bookings for advertising revenue at 2021 year end were £2,180,000 (2020: £1,790,000), the increase showing the year on year recovery of trading conditions, partly due to COVID.

Trade debtors over 120 days old, excluding amounts in deferred revenue, totalled £127,000 at 2021 year end (2020: £212,000), showing the increased effectiveness of the credit control function.

Prime costs for the print publications were £1,846,000 in 2021 (2020: £2,131,000). Changes in suppliers for print and fulfilment resulted in cost savings.

Travel and entertainment spend in 2021 was £101,000 (2020: £124,000). Spend in both years was relatively low due to COVID restrictions.

Annual average full time equivalent headcount was 127 in 2021 (2020: 124), reflecting the fact that 3 staff moved from working in the subsidiary, DVV Media HR Group Ltd, to central departments within DVV Media International Ltd.

DVV Media International Limited

Strategic Report (Continued)

For the year ended 31 December 2021

On behalf of the board

I Salter
Director
4 May 2022

DVV Media International Limited

Directors' Report

For the year ended 31 December 2021

The directors present their annual report and financial statements for the year ended 31 December 2021.

Principal activities

The principal activity of the company continued to be that of providing a range of media services to the road freight transport sector.

Results and dividends

The results for the year are set out on page 11.

No ordinary interim dividends were paid. The directors do not recommend payment of a final dividend.

Directors

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

I Salter
M Weber

Auditor

The auditor, Moore Kingston Smith LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Energy and carbon report

As the company has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

I Salter
Director

4 May 2022

DVV Media International Limited

Directors' Responsibilities Statement

For the year ended 31 December 2021

The directors are responsible for preparing the annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

DVV Media International Limited

Independent Auditor's Report

To the Members of DVV Media International Limited

Opinion

We have audited the financial statements of DVV Media International Limited (the 'company') for the year ended 31 December 2021 which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 in this regard.

DVV Media International Limited

Independent Auditor's Report (Continued)

To the Members of DVV Media International Limited

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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.

DVV Media International Limited

Independent Auditor's Report (Continued)

To the Members of DVV Media International Limited

Auditor's 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 auditor's 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.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

DVV Media International Limited

Independent Auditor's Report (Continued)

To the Members of DVV Media International Limited

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, UK financial reporting standards as issued by the Financial Reporting Council, and UK taxation legislation.
- We obtained an understanding of how the company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

DVV Media International Limited

Independent Auditor's Report (Continued)

To the Members of DVV Media International Limited

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Ryan Day (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP

11 May 2022

Chartered Accountants
Statutory Auditor

Devonshire House
60 Goswell Road
London
EC1M 7AD

DVV Media International Limited

Profit and Loss Account

For the year ended 31 December 2021

	Notes	2021 £	2020 £
Turnover	3	14,273,645	12,649,142
Cost of sales		(5,324,856)	(4,971,804)
Gross profit		<u>8,948,789</u>	<u>7,677,338</u>
Administrative expenses		(11,891,158)	(12,861,280)
Other operating income		264,913	398,148
Office dilapidations	4	(3,516)	8,250
Exceptional item	4	(3,614,000)	(1,583,658)
Operating loss	5	<u>(6,294,972)</u>	<u>(6,361,202)</u>
Interest receivable and similar income	8	3,061	1,776
Interest payable and similar expenses	9	(169,349)	(70,071)
Loss before taxation		<u>(6,461,260)</u>	<u>(6,429,497)</u>
Tax on loss	10	-	79,680
Loss for the financial year		<u><u>(6,461,260)</u></u>	<u><u>(6,349,817)</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

DVV Media International Limited

Statement of Comprehensive Income

For the year ended 31 December 2021

	2021 £	2020 £
Loss for the year	(6,461,260)	(6,349,817)
Other comprehensive income	-	-
Total comprehensive income for the year	<u>(6,461,260)</u>	<u>(6,349,817)</u>

DVV Media International Limited

Balance Sheet

As at 31 December 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Goodwill	11	6,608,020		9,385,460	
Other intangible assets	11	297,421		322,601	
Total intangible assets		6,905,441		9,708,061	
Tangible assets	12	302,332		424,096	
Investments	13	1,644,371		5,258,371	
		8,852,144		15,390,528	
Current assets					
Debtors	16	4,600,542		3,617,861	
Cash at bank and in hand		1,651,530		1,845,081	
		6,252,072		5,462,942	
Creditors: amounts falling due within one year	17	(8,370,628)		(7,687,822)	
Net current liabilities		(2,118,556)		(2,224,880)	
Total assets less current liabilities		6,733,588		13,165,648	
Provisions for liabilities					
Provisions	18	(103,950)		(74,750)	
			(103,950)		(74,750)
Net assets		6,629,638		13,090,898	
Capital and reserves					
Called up share capital	20	117,787		117,787	
Share premium account		17,313,863		17,313,863	
Profit and loss reserves		(10,802,012)		(4,340,752)	
Total equity		6,629,638		13,090,898	

The financial statements were approved by the board of directors and authorised for issue on 28 April 2022 and are signed on its behalf by:

I Salter
Director

Company Registration No. 07464854

DVV Media International Limited

Statement of Changes in Equity

For the year ended 31 December 2021

	Share capital	Share premium account	Profit and loss reserves	Total
	£	£	£	£
Balance at 1 January 2020	117,787	17,313,863	2,009,065	19,440,715
Year ended 31 December 2020:				
Loss and total comprehensive income for the year	-	-	(6,349,817)	(6,349,817)
Balance at 31 December 2020	117,787	17,313,863	(4,340,752)	13,090,898
Year ended 31 December 2021:				
Loss and total comprehensive income for the year	-	-	(6,461,260)	(6,461,260)
Balance at 31 December 2021	117,787	17,313,863	(10,802,012)	6,629,638

DVV Media International Limited

Statement of Cash Flows

For the year ended 31 December 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	24		(3,678,419)		790,352
Interest paid			(169,349)		(70,071)
Income taxes refunded			165,232		62,395
Net cash (outflow)/inflow from operating activities			(3,682,536)		782,676
Investing activities					
Purchase of intangible assets		(123,635)		(36,731)	
Proceeds on disposal of intangibles		-		27,038	
Purchase of tangible fixed assets		(4,441)		(12,185)	
Proceeds on disposal of subsidiaries		3,614,000		-	
Interest received		3,061		1,776	
Net cash generated from/(used in) investing activities			3,488,985		(20,102)
Net (decrease)/increase in cash and cash equivalents			(193,551)		762,574
Cash and cash equivalents at beginning of year			1,845,081		1,082,507
Cash and cash equivalents at end of year			1,651,530		1,845,081

DVV Media International Limited

Notes to the Financial Statements

For the year ended 31 December 2021

1 Accounting policies

Company information

DVV Media International Limited is a private company limited by shares incorporated in England and Wales. The registered office is 1st Floor Chancery House, St Nicholas Way, Sutton, Surrey, England, SM1 1JB.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Exemptions for qualifying entities under FRS 102

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

DVV Media International Limited is a wholly owned subsidiary of DVV Media Group GmbH and the results of DVV Media International Limited are included in the consolidated financial statements of Rheinische Post Mediengruppe GmbH (formerly known as Rheinisch-Bergische Verlagsgesellschaft mbH) which are available from its registered office Zülpicher Str. 10, 40549 Düsseldorf, Germany.

DVV Media International Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2021

1 Accounting policies

(Continued)

1.3 Going concern

The coronavirus pandemic has had a significant effect on the company. Owing to the lockdown measures imposed by the government in 2021, it was not possible to run any face-to-face events from February 2020 until August 2021, while advertising revenues during lockdown were adversely affected. The business has received strong cash support from its parent company and has taken advantage of HMRC tax deferrals and the job retention scheme in the UK. The business carried out a significant re-organisation in 2020, resulting in a headcount reduction of over 20%. With strong parental support, a powerful portfolio of brands and a clear market need for information services, the Directors are confident the business is in strong shape to bounce back during 2022. The underlying expectation is for the attendees levels to improve during 2022 as public confidence improves in the wake of the virus.

The parent company has agreed to provide sufficient financial support to DVV Media International Limited to enable it to continue to trade and to meet its liabilities as they fall due, for a period of at least one year from the date of signature of the audit report for the year ended 31 December 2021. On this basis, the directors consider that the going concern basis is appropriate for these financial statements.

1.4 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts; the company has three main revenue streams:

- Revenue from advertising, which is recognised at the periodical's cover date
- Subscription revenue, which is recognised on a net proportionate basis over the life of the subscription
- Events income (sponsorship and ticket sales), which is recognised on the date of the event.

1.5 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 5 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

DVV Media International Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2021

1 Accounting policies

(Continued)

1.6 Intangible fixed assets other than goodwill Magazine Titles

Magazine titles are amounts paid to acquire periodical and event magazine titles. These are initially recognised at cost. After recognition, under the cost model these are measured at cost less any accumulated amortisation and impairment.

Website development

Website development represent amounts paid to acquire ownership of a website and database and are initially recognised at cost. After recognition, these are measured at cost less any accumulated amortisation and impairment.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Website Development	5 year straight line
Magazine Titles	5 year straight line

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Office Equipment	5 years straight line
Leasehold improvements	5 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.8 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

DVV Media International Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2021

1 Accounting policies

(Continued)

1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

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

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

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

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

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

DVV Media International Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2021

1 Accounting policies

(Continued)

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

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

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.11 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.12 Taxation

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

Current tax

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

DVV Media International Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2021

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.13 Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

1.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.15 Retirement benefits

Pension costs relate to payments to a third party scheme and are recognised when paid.

1.16 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.17 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

DVV Media International Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2021

1 Accounting policies

(Continued)

1.18 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

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

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

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Intangible assets

The annual amortisation charge for intangible assets is sensitive to changes in the estimated lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. Goodwill impairment reviews are also performed annually. These reviews require an estimation of the value in use of the cash generating units to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise for the cash generating unit and a suitable discount rate to calculate present value. See note 11 for the carrying amount of the intangible assets and notes 1.6 for the useful economic lives for each class of asset.

Tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. Impairment reviews are also performed annually. See note 12 for the carrying amount of the tangible assets and notes 1.7 f for the useful economic lives for each class of asset.

Impairment of investments

Investments in subsidiaries are held as fixed assets and shown at cost less provision for impairment.

The carrying values of fixed asset investments are reviewed for impairment when an event or changes in circumstances indicate the carrying value may not be fully recoverable. An impairment charge of £3,614,000 has been recognised in the current year. If the directors' revenue predictions are missed by 20% - 30% the range of the impairment would be £3,856,000 - £4,564,000.

DVV Media International Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2021

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2021 £	2020 £
Turnover analysed by class of business		
Advertising	9,373,150	8,808,957
Periodic sales and subscriptions	2,261,660	2,375,427
Events	2,356,365	1,167,987
Other	282,470	296,771
	<u>14,273,645</u>	<u>12,649,142</u>

	2021 £	2020 £
Turnover analysed by geographical market		
UK	<u>14,273,645</u>	<u>12,649,142</u>

	2021 £	2020 £
Other significant revenue		
Interest income	3,061	1,776
Grants received	<u>173,550</u>	<u>253,135</u>

4 Exceptional items

	2021 £	2020 £
Expenditure		
Office dilapidations	3,516	(8,250)
Exceptional item	-	1,583,658
Impairment losses	<u>3,614,000</u>	<u>-</u>
	<u>3,617,516</u>	<u>1,575,408</u>

Exceptional item of £nil (2020: £1,538,658) is made up of redundancy costs. Impairment losses of £3,614,000 (2020: £nil) is an impairment charge recognised on the company's investment in DVV Media HR Group Limited.

DVV Media International Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2021

5 Operating loss

	2021 £	2020 £
Operating loss for the year is stated after charging/(crediting):		
Exchange losses/(gains)	55,325	(58,920)
Government grants	(173,550)	(253,135)
Fees payable to the company's auditors for the audit of the company's financial statements	33,467	29,150
Depreciation of owned tangible fixed assets	126,205	141,172
Amortisation of intangible assets	2,926,255	3,018,605
Operating lease charges	191,462	336,364
	<u> </u>	<u> </u>

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:
112 (2020: 123)

Their aggregate remuneration comprised:

	2021 £	2020 £
Wages and salaries	5,442,877	5,871,584
Social security costs	596,023	680,173
Pension costs	299,438	313,177
	<u> </u>	<u> </u>
	6,338,338	6,864,934
	<u> </u>	<u> </u>

7 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	165,377	167,572
Company pension contributions to defined contribution schemes	16,601	16,601
	<u> </u>	<u> </u>
	181,978	184,173
	<u> </u>	<u> </u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2020 - 1).

8 Interest receivable and similar income

	2021 £	2020 £
Interest income		
Interest on bank deposits	3,061	1,776
	<u> </u>	<u> </u>

DVV Media International Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2021

(Continued)

8 Interest receivable and similar income

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	3,061	1,776
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9 Interest payable and similar expenses

2021	2020
£	£

Interest on financial liabilities measured at amortised cost:

Interest payable to group undertakings	169,349	70,071
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10 Taxation

2021	2020
£	£

Current tax

Adjustments in respect of prior periods	-	(20,988)
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Deferred tax

Origination and reversal of timing differences	-	(58,692)
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Total tax charge/(credit)	-	(79,680)
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The actual charge/(credit) for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

2021	2020
£	£

Loss before taxation	(6,461,260)	(6,429,497)
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Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)

	(1,227,639)	(1,221,604)
Tax effect of expenses that are not deductible in determining taxable profit	1,270,031	547,350
Tax effect of utilisation of tax losses not previously recognised	(42,392)	-
Unutilised tax losses carried forward	-	631,252
Under/(over) provided in prior years	-	(20,988)
Deferred tax adjustments in respect of prior years	-	(15,690)

Taxation charge/(credit) for the year	-	(79,680)
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The company has unrelieved tax losses of £3,635,351 (2020: £3,322,378) which have not been recognised as a deferred tax asset due to the uncertainty of when they can be utilised.

DVV Media International Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2021

11 Intangible fixed assets

	Goodwill	Website Development	Magazine Titles	Total
	£	£	£	£
Cost				
At 1 January 2021	14,023,293	733,782	2,669,349	17,426,424
Additions	34,023	89,612	-	123,635
At 31 December 2021	14,057,316	823,394	2,669,349	17,550,059
Amortisation and impairment				
At 1 January 2021	4,637,833	411,181	2,669,349	7,718,363
Amortisation charged for the year	2,811,463	114,792	-	2,926,255
At 31 December 2021	7,449,296	525,973	2,669,349	10,644,618
Carrying amount				
At 31 December 2021	6,608,020	297,421	-	6,905,441
At 31 December 2020	9,385,460	322,601	-	9,708,061

12 Tangible fixed assets

	Leasehold Improvements	Office Equipment	Total
	£	£	£
Cost			
At 1 January 2021	83,720	1,074,097	1,157,817
Additions	-	4,441	4,441
At 31 December 2021	83,720	1,078,538	1,162,258
Depreciation and impairment			
At 1 January 2021	83,720	650,001	733,721
Depreciation charged in the year	-	126,205	126,205
At 31 December 2021	83,720	776,206	859,926
Carrying amount			
At 31 December 2021	-	302,332	302,332
At 31 December 2020	-	424,096	424,096

13 Fixed asset investments

	Notes	2021 £	2020 £
Investments in subsidiaries	14	1,644,371	5,258,371

DVV Media International Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2021

13 Fixed asset investments (Continued)

Movements in fixed asset investments

	Shares in subsidiaries £
Cost or valuation	
At 1 January 2021 & 31 December 2021	5,258,371
Impairment	
At 1 January 2021	-
Impairment losses	3,614,000
At 31 December 2021	3,614,000
Carrying amount	
At 31 December 2021	1,644,371
At 31 December 2020	5,258,371

14 Subsidiaries

Details of the company's subsidiaries at 31 December 2021 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
DVV Media International (Asia) Singapore Pte. Ltd		Media services	Ordinary	100.00	0
DVV Media International (USA) USA LLC		Media services	Ordinary	100.00	0
DVV Media HR Group Limited	England & Wales	Media services	Ordinary	100.00	0

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
DVV Media International (Asia) Pte. Ltd	12,171	31,161
DVV Media International (USA) LLC	32,083	79,932
DVV Media HR Group Limited	(147,452)	(564,245)

DVV Media International Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2021

15 Financial instruments

	2021 £	2020 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	3,869,509	2,838,320
Carrying amount of financial liabilities		
Measured at amortised cost	7,901,743	7,054,858

16 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	2,786,139	1,700,754
Corporation tax recoverable	-	164,604
Amounts owed by group undertakings	902,037	785,391
Other debtors	181,333	352,175
Prepayments and accrued income	731,033	614,937
	4,600,542	3,617,861

17 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	798,082	491,599
Amounts owed to group undertakings	4,182,243	3,662,522
Corporation tax	628	-
Other taxation and social security	468,257	632,964
Other creditors	78,719	563,203
Accruals and deferred income	2,842,699	2,337,534
	8,370,628	7,687,822

18 Provisions for liabilities

	2021 £	2020 £
Dilapidations	74,750	74,750
Rental lease provision	29,200	-
	103,950	74,750

DVV Media International Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2021

18 Provisions for liabilities

(Continued)

Movements on provisions:

	Dilapidations £	Rental lease provision £	Total £
At 1 January 2021	74,750	-	74,750
Additional provisions in the year	-	29,200	29,200
At 31 December 2021	74,750	29,200	103,950

19 Retirement benefit schemes

	2021 £	2020 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	299,438	313,177

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

20 Share capital

	2021 Number	2020 Number	2021 £	2020 £
Ordinary share capital				
Issued and fully paid				
Ordinary shares of £1 each	117,787	117,787	117,787	117,787

21 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	207,393	229,186
Between two and five years	737,673	769,101
In over five years	456,875	639,625
	1,401,941	1,637,912

DVV Media International Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2021

22 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2021 £	2020 £
Aggregate compensation	181,978	184,173

Transactions with related parties

The company has taken advantage of the exemption in FRS 102 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.

23 Ultimate controlling party

The immediate parent company is DVV Media Group GmbH, a company incorporated in Germany and the ultimate controlling party is Rheinische Post Mediengruppe GmbH (formerly known as Rheinisch-Bergische Verlagsgesellschaft mbH) also incorporated in Germany, by virtue of its holding in DVV Media Group GmbH.

24 Cash (absorbed by)/generated from operations

	2021 £	2020 £
Loss for the year after tax	(6,461,260)	(6,349,817)
Adjustments for:		
Taxation charged/(credited)	-	(79,680)
Finance costs	169,349	70,071
Investment income	(3,061)	(1,776)
Amortisation and impairment of intangible assets	2,926,255	3,018,605
Depreciation and impairment of tangible fixed assets	126,205	141,172
Increase in provisions	29,200	9,750
Movements in working capital:		
(Increase)/decrease in debtors	(1,147,285)	2,415,239
Increase in creditors	682,178	1,566,788
Cash (absorbed by)/generated from operations	(3,678,419)	790,352

DVV Media International Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2021

25 Analysis of changes in net funds

	1 January 2021	Cash flows	31 December 2021
	£	£	£
Cash at bank and in hand	1,845,081	(193,551)	1,651,530
	<u> </u>	<u> </u>	<u> </u>

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