DVV Media International Limited

Annual Report and Financial Statements

For the year ended 31 December 2019

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 2019

The directors present the strategic report and financial statements for the year ended 31 December 2019.

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.

Due to the significant one-off costs associated with transitioning the new acquisitions and the requirement for significant investment in the general overhead of the business to manage the increased scale, the business made a loss of 842,694 for 2019 (2018: profit £1,464,974).

Revenue in the year was £16.6m (2018: £11.2m) and this generated an EBITDA of £0.7m (2018: £2.2m).

Business Review

The business has gone through a period of rapid growth through acquisition during 2019 as it continued to fill the gaps in its core logistics and HR market segments:

- January: The business acquired Heavy Lift & Project Forwarding International, a leading magazine and website serving the logistics sector of over-dimensional and/or heavy cargoes.

- April: The business completed the acquisition of Centaur HR Group Ltd from Centaur Communications. This included a number of leading events, exhibitions and conferences serving two sectors of the HR sector – Employee Benefits and the Forum for Expatriate Management. This new acquisition, renamed DVV Media HR Group Ltd, a 100% subsidiary of DVV Media International aligns with the existing Personnel Today brand in the DVV portfolio.

- August: The process to acquire the publishing assets serving the aviation sector from RELEX was completed. This includes the leading magazine brands Flight International and Airline Business, website FlightGlobal.com and a strong set of Awards and Conferences covering the general aviation market.

- September: Transport News, a leading monthly magazine covering the Scottish market, was acquired from KAV Publicity Ltd and joins the Road division.

In 2020 the full year profit impact of all these acquisitions will be delivered. In addition to the growth through acquisition, the business continued to invest in the infrastructure of the organisation, moving to a bigger office in Sutton, as well as opening new offices in central London, Bromley, East Kilbride and Singapore.

The business remains focused on the strategic development of its brands, particularly in the area of digital subscriptions and a number of initiatives are coming to market:

- The new Railway Gazette International website was launched in September, offering improved functionality, more opportunities for advertisers to deliver their messages and a clear digital subscription model.

- In the Road division, the leading print brands Commercial Motor and Truck & Driver have been redesigned, while a new series of events advising commercial vehicle operators on the impending clean air zones in UK cities has been launched.

Principal Risks and Uncertainties

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

- The business has been focused on dealing with the impact of the COVID-19 virus during 2020, due to which, it has not been possible to run any face-to-face events since February, 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 has carried out a significant re-organisation, 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 2021.
- The implications of Brexit on the strength of UK economic performance remain unclear. We have reviewed our exposure to the potential Brexit impact and we continue to monitor developments. The risks identified are focused on suppliers costs, particularly paper where we, like most other print publishers, rely on European sources. While any general slowdown in the UK economic growth, would be a concern for those divisions serving the UK sector, our increasingly international portfolio should balance some of this impact.
- Supplier price rises, particularly in print and paper, impacting on costs
- Ongoing shift from print to digital media

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

Future Developments

The business continues to investment in its strategic development, with an on-going focus on subscription revenues, particularly in the digital space. The FlightGlobal Premium has launched to positive feedback, while further development is planned on Railway Gazette, Occupational Health and Motor Transport as the business seeks to balance its portfolio across advertising, subscriptions and events.

Investment in staff training and development, as well as internal systems and processes, has continued. The first intake of staff on the DVV Management Academy have “graduated” in 2020 and the project to upgrade the sales CRM system is underway.

Key Performance indicators

The business runs with many financial and operational KPIs ranging from ensuring strong cashflow and minimising weekly debtor days 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.

On behalf of the board

I Salter
Director
3 November 2020

DVV Media International Limited

Directors' Report

For the year ended 31 December 2019

The directors present their annual report and financial statements for the year ended 31 December 2019.

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.

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

Results and dividends
The results for the year are set out on page 8.

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

Future developments
DVV Media International Limited remains committed to producing a range of media services to the road freight transport sector, satisfying the information needs and marketing objectives of all stakeholders in the sector. The diversification of the product portfolio will continue to evolve in line with the needs of the market, with the launch of Freight in the City our latest example.

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

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
3 November 2020

Directors' Responsibilities Statement

For the year ended 31 December 2019

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.

Opinion
We have audited the financial statements of DVV Media International Limited (the 'company') for the year ended 31 December 2019 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 a summary of 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 2019 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
We have nothing to report in respect of the following matters in relation to which the 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.

Other information
The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

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 directors' 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.

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.

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 for no purpose other than to draw to the attention of the company's members those matters we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the company and the company's members as a body, for our 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

3 November 2020

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 2019

	Notes	2019 £	2018 £
Turnover	3	16,573,810	11,190,487
Cost of sales		(7,002,572)	(4,234,994)
Gross profit		9,571,238	6,955,493
Administrative expenses		(10,721,395)	(5,085,728)
Other operating income		270,015	-
Office dilapidations	4	(80,231)	-
Exceptional item	4	(20,005)	-
Operating (loss)/profit	5	(980,378)	1,869,765
Interest receivable and similar income		1,305	301
Interest payable and similar expenses	8	(23,327)	-
(Loss)/profit before taxation		(1,002,400)	1,870,066
Taxation	9	133,832	(405,092)
(Loss)/profit for the financial year		(868,568)	1,464,974

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

Statement of Comprehensive Income

For the Year ended 31 December 2019

	2019	2018
	£	£
(Loss)/profit for the year	(868,568)	1,464,974
Other comprehensive income	-	-
Total comprehensive income for the year	(868,568)	1,464,974

DVV Media International Limited

Balance Sheet

As at 31 December 2019

	Notes	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Goodwill	10		12,276,350		686,934
Other intangible assets	10		440,623		190,638
Total intangible assets			12,716,973		877,572
Tangible assets	11		553,083		109,225
Investments	12		5,258,371		1,000,000
			18,528,427		1,986,797
Current assets					
Debtors	15	6,074,507		3,318,964	
Cash at bank and in hand		1,082,507		2,082,225	
		7,157,014		5,401,189	
Creditors: amounts falling due within one year	16	(5,671,034)		(4,339,515)	
Net current assets			1,485,980		1,061,674
Total assets less current liabilities			20,014,407		3,048,471
Creditors: amounts falling due after more than one year	17		(450,000)		-
Provisions for liabilities	18		(123,692)		(53,052)
Net assets			19,440,715		2,995,419
Capital and reserves					
Called up share capital	21		117,787		117,786
Share premium account			17,313,863		-
Profit and loss reserves			2,009,065		2,877,633
Total equity			19,440,715		2,995,419

The financial statements were approved by the board of directors and authorised for issue on 3 November 2020 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 2019

	Notes	Share capital	Share premium account	Profit and loss reserves	Total
		£	£	£	£
Balance at 1 January 2018		117,786	-	1,412,659	1,530,445
Year ended 31 December 2018:					
Profit and total comprehensive income for the year		-	-	1,464,974	1,464,974
Balance at 31 December 2018		117,786	-	2,877,633	2,995,419
Year ended 31 December 2019:					
Loss and total comprehensive income for the year		-	-	(868,568)	(868,568)
Issue of share capital	**21**	1	17,313,863	-	17,313,864
Balance at 31 December 2019		117,787	17,313,863	2,009,065	19,440,715

DVV Media International Limited

Statement of Cash Flows

For the year ended 31 December 2019

	Notes	2019 £	2019 £	2018 £	2018 £
Cash flows from operating activities					
Cash generated from operations	**25**		205,244		2,664,491
Interest paid			(23,327)		-
Income taxes paid			(284,484)		(306,622)
Net cash (outflow)/inflow from operating activities			(102,567)		2,357,869
Investing activities					
Purchase of intangible assets		(13,424,799)		(114,422)	
Purchase of tangible fixed assets		(529,150)		(9,326)	
Purchase of subsidiaries		(5,258,371)		(1,000,000)	
Disposal of subsidiaries		1,000,000		-	
Interest received		1,305		301	
Net cash used in investing activities			(18,211,015)		(1,123,447)
Financing activities					
Proceeds from issue of shares		17,313,864		-	
Net cash generated from/(used in) financing activities			17,313,864		-
Net (decrease)/increase in cash and cash equivalents			(999,718)		1,234,422
Cash and cash equivalents at beginning of year			2,082,225		847,803
Cash and cash equivalents at end of year			1,082,507		2,082,225

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 a mounts in these financial statements are rounded to the nearest pound.

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

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 Rheinisch-Bergische Verlagsgesellschaft mbH which are available from Zülpicher Str. 10, 40549 Düsseldorf, Germany.

1.2 Going concern

Subsequent to the year end the coronavirus pandemic has had a significant effect on the company. Owing to the lockdown measures imposed by the government, it has not been possible to run any face-to-face events since February, 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 has carried out a significant re-organisation, 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 2021. 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 2019. On this basis, the directors consider that the going concern basis is appropriate for these financial statements.

1.3 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 Accounting policies **(Continued)**

1.4 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.

1.5 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

1.6 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 Accounting policies **(Continued)**

1.7 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.

1.8 Cash and cash equivalents

Cash at bank and in hand 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.

1.9 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.

1 Accounting policies **(Continued)**

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.

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 though 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.

1 Accounting policies **(Continued)**

Derecognition of financial liabilities

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

1.10 Equity instruments

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

1.11 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.

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.

1.12 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 Accounting policies **(Continued)**

1.13 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.

1.14 Retirement benefits

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

1.15 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income 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 lease asset are consumed.

1.16 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 are included in the profit and loss account for the period.

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 10 for the carrying amount of the intangible assets and notes 1.4 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 11 for the carrying amount of the tangible assets and notes 1.6 f or the useful economic lives for each class of asset.

3 Turnover and other revenue

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

	2019	2018
	£	£
Turnover analysed by class of business		
Advertising	9,668,792	6,897,627
Periodic sales and subscriptions	1,996,943	1,664,084
Events	3,739,076	2,388,417
Other	1,168,999	240,359
	16,573,810	11,190,487

	2019	2018
	£	£
Other significant revenue		
Interest income	1,305	301

3 Turnover and other revenue (Continued)

	2019	2018
	£	£
Turnover analysed by geographical market		
UK	16,573,810	11,190,487

4 Exceptional costs

	2019	2018
	£	£
Office dilapidations	80,231	-
Exceptional item	20,005	-
	100,236	-

DVV Media International Limited were the victim of a fraud in 2019 which resulted in a net loss to the company of £20,005. A fraudster hacked into a supplier's email account and sent an email to DVV Media International Limited advising of a change of bank details. An amount of £92,400 was transferred into the fraudulent account, however £72,395 was subsequently recovered.

5 Operating (loss)/profit

	2019	2018
Operating (loss)/profit for the year is stated after charging/(crediting):	£	£
Exchange losses/(gains)	76,474	(38,603)
Fees payable to the company's auditors for the audit of the company's financial statements	26,990	12,250
Depreciation of owned tangible fixed assets	85,292	47,798
Amortisation of intangible assets	1,585,398	239,282
Operating lease charges	433,548	148,193

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was: 106 (2018: 82)

Their aggregate remuneration comprised:

	2019	2018
	£	£
Wages and salaries	5,337,846	3,749,187
Social security costs	592,784	441,388
Pension costs	281,998	217,997
	6,212,628	4,408,572

7 Directors' remuneration

	2019	2018
	£	£
Remuneration for qualifying services	195,705	156,050
Company pension contributions to defined contribution schemes	16,500	13,030
	212,205	169,080

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2018 - 1).

8 Interest payable and similar expenses

	2019	2018
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest payable to group undertakings	23,327	-

9 Taxation

	2019	2018
	£	£
Current tax		
UK corporation tax on profits for the current period	(10,636)	405,092
Adjustments in respect of prior periods	(124,160)	-
Other taxes	(22,676)	-
Total current tax	(157,472)	405,092
Deferred tax		
Origination and reversal of timing differences	23,640	-
Total tax (credit)/charge	(133,832)	405,092

9 Taxation (Continued)

The actual (credit)/charge for the year can be reconciled to the expected (credit)/charge for the year based on the profit or loss and the standard rate of tax as follows:

	2019	2018
	£	£
(Loss)/profit before taxation	(1,002,400)	1,870,066
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	(190,456)	355,313
Tax effect of expenses that are not deductible in determining taxable profit	314,326	4,095
Permanent capital allowances in excess of depreciation	-	34,663
Effect of overseas tax rates	(22,676)	-
Under/(over) provided in prior years	(124,160)	-
Deferred tax adjustments in respect of prior years	(111,836)	-
Other short term timing differences	970	11,021
Taxation (credit)/charge for the year	(133,832)	405,092

10 Intangible fixed assets

	Goodwill	Website Development	Magazine Titles	Total
	£	£	£	£
Cost				
At 1 January 2019	947,428	375,155	2,669,349	3,991,932
Additions	13,081,428	343,371	-	13,424,799
At 31 December 2019	14,028,856	718,526	2,669,349	17,416,731
Amortisation and impairment				
At 1 January 2019	260,494	184,517	2,669,349	3,114,360
Amortisation charged for the year	1,492,012	93,386	-	1,585,398
At 31 December 2019	1,752,506	277,903	2,669,349	4,699,758
Carrying amount				
At 31 December 2019	12,276,350	440,623	-	12,716,973
At 31 December 2018	686,934	190,638	-	877,572

11 Tangible fixed assets

	Leasehold Improvements	Office Equipment	Total
	£	£	£
Cost			
At 1 January 2019	83,720	532,762	616,482
Additions	-	529,150	529,150
At 31 December 2019	83,720	1,061,912	1,145,632
Depreciation and impairment			
At 1 January 2019	57,509	449,748	507,257
Depreciation charged in the year	16,744	68,548	85,292
At 31 December 2019	74,253	518,296	592,549
Carrying amount			
At 31 December 2019	9,467	543,616	553,083
At 31 December 2018	26,211	83,014	109,225

12 Fixed asset investments

	Notes	2019	2018
		£	£
Investments in subsidiaries	13	5,258,371	1,000,000

Movements in fixed asset investments

	Shares in group undertakings
	£
Cost or valuation	
At 1 January 2019	1,000,000
Additions	5,258,371
Disposals	(1,000,000)
At 31 December 2019	5,258,371
Carrying amount	
At 31 December 2019	5,258,371
At 31 December 2018	1,000,000

13 Subsidiaries

Details of the company's subsidiaries at 31 December 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct	% Held Indirect
DVV Media International (Asia) Pte. Ltd	Singapore	Media services	Ordinary	100.00	0
DVV Media International (USA) LLC	USA	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	(6,798)	(6,798)
DVV Media International (USA) LLC	(17,086)	(17,086)
DVV Media HR Group Limited	457,496	(27,844)

14 Financial instruments

	2019 £	2018 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	5,113,529	2,999,701
Carrying amount of financial liabilities		
Measured at amortised cost	5,760,194	3,798,050

15 Debtors

Amounts falling due within one year:	2019 £	2018 £
Trade debtors	4,560,312	2,624,149
Corporation tax recoverable	206,011	-
Amounts due from group undertakings	296,306	160,686
Other debtors	256,911	214,866
Prepayments and accrued income	754,967	319,263
	6,074,507	3,318,964

16 Creditors: amounts falling due within one year

	2019	2018
	£	£
Trade creditors	1,023,890	416,804
Amounts due to group undertakings	516,200	1,840,119
Corporation tax	-	235,945
Other taxation and social security	360,840	305,520
Other creditors	593,991	52,991
Accruals and deferred income	3,176,113	1,488,136
	5,671,034	4,339,515

17 Creditors: amounts falling due after more than one year

	2019	2018
	£	£
Other creditors	450,000	-

18 Provisions for liabilities

		2019	2018
	Notes	£	£
Dilapidations		65,000	18,000
Deferred tax liabilities	19	58,692	35,052
		123,692	53,052

19 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities	Liabilities
	2019	2018
Balances:	£	£
Accelerated capital allowances	168,095	35,052
Tax losses	(109,403)	-
	58,692	35,052

19 Deferred taxation (Continued)

Movements in the year:	**2019** **£**
Liability at 1 January 2019	35,052
Charge to profit or loss	23,640
Liability at 31 December 2019	58,692

20 Retirement benefit schemes

Defined contribution schemes	**2019** **£**	**2018** **£**
Charge to profit or loss in respect of defined contribution schemes	281,998	217,997

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.

21 Share capital

	2019 **£**	**2018** **£**
Ordinary share capital		
Issued and fully paid		
117,787 (2018: 117,786) ordinary shares of £1 each	117,787	117,786
	117,787	117,786

During the year, 1 ordinary £1 share was issued for consideration of £17,313,864.

22 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:

	2019	2018
	£	£
Within one year	427,216	74,620
Between two and five years	797,748	33,410
In over five years	807,146	-
	2,032,110	108,030

23 Related party transactions

Remuneration of key management personnel
The remuneration of key management personnel is as follows.

	2019	2018
	£	£
Aggregate compensation	208,600	169,080

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.

24 Controlling party

The immediate parent company is DVV Media Group GmbH, a company incorporated in Germany and the ultimate controlling party is Rheinisch-Bergische Verlagsgesellschaft mbH also incorporated in Germany, by virtue of its holding in DVV Media Group GmbH.

25 Cash generated from operations

	2019	2018
	£	£
(Loss)/profit for the year after tax	(868,568)	1,464,974
Adjustments for:		
Taxation (credited)/charged	(133,832)	405,092
Finance costs	23,327	-
Investment income	(1,305)	(301)
(Loss)/profit	(980,378)	1,869,765
Amortisation and impairment of intangible assets	1,585,398	239,281
Depreciation and impairment of tangible fixed assets	85,292	47,798
Increase in provisions	47,000	-
Movements in working capital:		
(Increase) in debtors	(2,549,532)	(1,686,471)
Increase in creditors	2,017,464	2,194,118
Cash generated from operations	205,244	2,664,491