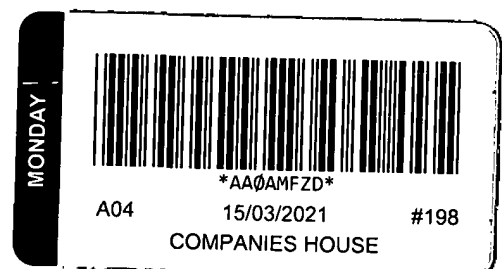


GOLD KEY MEDIA LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

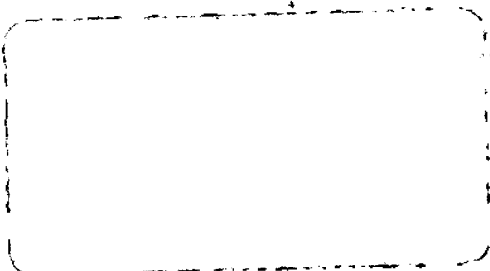
FOR THE PERIOD ENDED 31 DECEMBER 2019



GOLD KEY MEDIA LIMITED

COMPANY INFORMATION

Directors	F Straetmans S Pickersgill
Company secretary	Bauer Group Secretariat Limited
Registered number	11024864
Registered office	Media House Peterborough Business Park, Lynchwood Peterborough PE2 6EA
Trading Address	3rd Floor Josaron House 5-7 John Princes Street Oxford Circus, London W1G 0JN
Independent auditor	KPMG LLP 15 Canada Square London E14 5GL



GOLD KEY MEDIA LIMITED

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STRATEGIC REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2019

Introduction

The directors present their strategic report for the year ended 31 December 2019.

Business Review and Principle Activities

The Company is principally engaged in the sale of print and digital newspapers and magazines to venues, and providing product placement and dynamic distribution services.

Turnover for the year is £11,073,000 (14 month period ending 31 December 2018 £12,988,000) whilst the profit after tax amounted to £208,000 (14 month period ending 31 December 2018 (£206,000)).

Future Outlook

Turnover pre Covid 19 has been in line with expectations and margins are improving. The external environment remains competitive but the business is looking to extend its customer base and to offer wider services to its existing customer base. This diversity will help the business adapt post Covid and will strengthen the company's position in supporting publishers with multi-channel sales.

Principal Risks and Uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks.

The key business risk affecting the Company is considered to relate to the impact of Covid 19. As a high proportion of Gold Key Media's revenue comes from businesses that have closed during lockdown, impact on sales has been significant, although cost reduction has also been achievable. However there have also been new opportunities; a greater interest in digital services and new business from the NHS and care homes. As the lockdown eases it is as yet unclear what the full impact will be for 2020 and beyond.

The impact of lockdown on wider suppliers to the business heightens the risk of loss of publisher product, whilst competition in the provision of digital services, and the likelihood of venues reducing spend on print product, as focus turns back to Brexit continue to be risks. The direct impact of Brexit on the business is still expected to be minimal as the majority of revenues and costs are generated in the UK

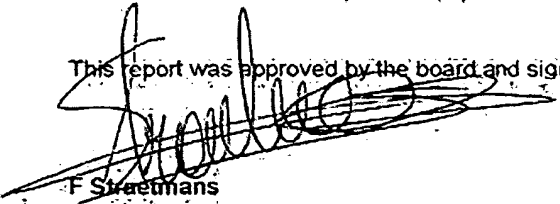
Financial Risk Management

The Company's credit risk is primarily attributable to its trade debtors. Credit risk is managed by obtaining prepayments from new customers and running credit checks for sizeable business. Liquidity and cash flow risks are managed through support from the Company's parent.

Key Performance Indicators

The key financial indicators monitored by the business are Turnover £11,073,000 (2018 £12,988,000) and Gross Profit £7,437,000 (2018 £8,614,000).

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


F. Straetmans
Director

Date: 11.03.2021

**DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2019**

The directors present their annual report together with the audited financial statements for the period ended 31 December 2019.

Results and dividends

The profit for the period, after taxation, amounted to £208,000 (2018 - £206,000).

An interim dividend of £NIL (£NIL 2018) was paid during the year. The directors do not recommend the payment of a final dividend.

Directors

The directors who served during the period were:

F Straetmans
S Pickersgill

Political contributions

The company made no political donations or incurred any political expenses during the year.

Future Developments

The directors aim to maintain the management policies that continue to drive turnover and will focus on cost control and efficiencies and broadening the customer base in order to maximise profits.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2019

Going Concern

The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the Company will have sufficient funds to meet its liabilities as they fall due for that period.

Those forecasts are dependent on Frontline Limited not seeking repayment of the amounts currently due to it, which at 31st December 2019 amounted to £4,236,000. Frontline Limited has indicated its intention to continue to make available such funds as are needed by the Company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the Directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Post balance sheet events

In March 2020 the government introduced strict lockdown measures in order to contain the effects of the global COVID-19 pandemic which has severely impacted many local economies around the globe. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Governments and central banks have responded with monetary and fiscal interventions to stabilise economic conditions.

The Company has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as at 31st December 2019 have not been adjusted to reflect their impact.

Auditor

The auditors, KPMG LLP are the appointed auditors for the year ended 31 December 2019. Pursuant to section 487 of the Companies Act, KPMG LLP will be deemed to have been reappointed as auditors and will therefore continue in office.

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



F. Stractmans
Director

Date:

11.03.2021

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER 2019**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards and applicable law (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the Company complies with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GOLD KEY MEDIA LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GOLD KEY MEDIA LIMITED

Opinion

We have audited the financial statements of Gold Key Media Limited ("the company") for the year ended 31 December 2019 which comprise the Profit and loss account, Balance sheet, Statement of changes in equity and related notes, including the accounting policies in note 2.

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 profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GOLD KEY MEDIA LIMITED

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorresponsibilities

The purpose of our audit work and to whom we owe our responsibilities

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.

GOLD KEY MEDIA LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GOLD KEY MEDIA LIMITED

**Melanie Mantel (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor**

Chartered Accountants
15 Canada Square
London
E14 5GL

Date: 11 March 2021

GOLD KEY MEDIA LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31 DECEMBER 2019**

	Note	12 months ended 31 December 2019 £000	14 months ended 31 December 2018 £000
Turnover	4	11,073	12,988
Cost of sales		(3,636)	(4,374)
Gross profit/(loss)		7,437	8,614
Distribution costs		(4,484)	(5,503)
Administrative expenses		(2,686)	(3,300)
Operating profit/(loss)	5	267	(189)
Interest receivable and similar income		3	-
Interest payable and expenses		(22)	(33)
Profit/(Loss) before tax		248	(222)
Tax on profit	10	(40)	16
Profit/(Loss) for the financial period		208	(206)

There were no recognised gains and losses for 2019 or 2018 other than those included in the profit and loss account. Profit for the period is from continuing operations.

There was no other comprehensive income for 2019 (2018:£000NIL).

The notes on pages 11 to 26 form part of these financial statements.

GOLD KEY MEDIA LIMITED
REGISTERED NUMBER: 11024864

BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £000	2018 £000
Fixed assets:			
Intangible assets	11	2,561	2,907
Tangible assets	12	228	90
		<u>2,789</u>	<u>2,997</u>
Current assets			
Debtors: amounts falling due after more than one year	13	52	44
Debtors: amounts falling due within one year	13	2,114	2,867
Cash at bank and in hand	14	978	414
		<u>3,144</u>	<u>3,325</u>
Creditors: amounts falling due within one year	15	(5,918)	(6,522)
Net current liabilities		<u>(2,774)</u>	<u>(3,197)</u>
Total assets less current liabilities		<u>15</u>	<u>(200)</u>
Creditors: amounts falling due after more than one year	16	(13)	(6)
Net assets/(liabilities)		<u>2</u>	<u>(206)</u>
Capital and reserves:			
Profit and loss account	19	2	(206)
		<u>2</u>	<u>(206)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


F. Straetmans

Director

Date: 11.03.2021

The notes on pages 11 to 26 form part of these financial statements.

GOLD KEY MEDIA LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2019**

	Profit and loss account £000	Total equity £000
Comprehensive income for the period		
Loss for the period	(206)	(206)
Total comprehensive income for the period	(206)	(206)
At 1 January 2019	(206)	(206)
Comprehensive income for the period		
Profit for the period	208	208
Total comprehensive income for the period	208	208
At 31 December 2019	2	2

The notes on pages 11 to 26 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019

1. General information

Gold Key Media Limited is a private company, limited by shares, domiciled in England and Wales, registration number 11024864. The registered address is Media House, Peterborough Business Park, Lynchwood, Peterborough, PE2 6EA.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1000.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- Reconciliation of the number of shares outstanding from the beginning of the period to end of the period;
- Cash flow statement and related notes; and
- Key management personnel compensation.
- Certain disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of paragraph 36(4) of Schedule 1.

The information is included in the consolidated financial statements of Frontline Limited as at 31 December 2019 and these financial statements may be obtained from Media House, Peterborough Business Park, Lynchwood, Peterborough, PE2 6EA.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.3 Going concern

The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the Company will have sufficient funds to meet its liabilities as they fall due for that period.

Those forecasts are dependent on Frontline Limited not seeking repayment of the amounts currently due to it, which at 31st December 2019 amounted to £4,236,000. Frontline Limited has indicated its intention to continue to make available such funds as are needed by the Company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the Directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

2.4 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account except for differences arising on the retranslation of qualifying cash flow hedges and items which are fair valued with changes taken to other comprehensive income, which are recognised in other comprehensive income.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.5 Turnover

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

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.6 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

2.7 Interest income

Interest income is recognised in the Profit and Loss Account using the effective interest method.

2.8 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Profit and Loss Account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.9 Current and deferred taxation

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

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

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

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

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

2.10 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Trademarks	-	10	years
Customer contracts	-	5	years

2.11 Tangible fixed assets

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

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.11 Tangible fixed assets (continued)

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

The estimated useful lives range as follows:

Fixtures and fittings	- 3 to 5 years
Computer equipment	- 3 to 5 years

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Profit and Loss Account.

2.12 Impairment of fixed assets

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.13 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.14 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.15 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.16 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Balance Sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Balance Sheet date.

2.17 Financial instruments

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

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and Loss Account.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the accounting policies and the reported amounts of assets, liabilities, income and expenses. These are continually assessed based on factors such as historical experience and likely outcomes of future events. The following judgements and estimates have had the most significant effect on amounts recognised in the financial statements.

Impairment of debtors - The Company makes an estimate of the recoverable values of trade and other debtors. The current credit rating of the debtor, the ageing of the debt and historical experience of debtors are used by management in assessing impairment of trade and other debtors.

Impairment of intangible assets - The Company makes an estimate of future revenues to inform the current valuation of intangible assets.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

4. Turnover

An analysis of turnover by class of business is as follows:

	12 months ended 31 December 2019 £000	<i>14 months ended 31 December 2018 £000</i>
Media Sales	6,255	6,963
Media Related Services	4,818	6,025
	<u>11,073</u>	<u>12,988</u>

Analysis of turnover by country of destination:

	12 months ended 31 December 2019 £000	<i>14 months ended 31 December 2018 £000</i>
United Kingdom	10,315	12,247
Rest of Europe	459	422
Rest of the world	299	319
	<u>11,073</u>	<u>12,988</u>

5. Operating profit/(loss)

The operating profit is stated after charging:

	12 months ended 31 December 2019 £000	<i>14 months ended 31 December 2018 £000</i>
Amortisation - intangible fixed assets	346	448
Exchange losses/(gains) on foreign currency translation	22	33
Other operating lease rentals	94	115
Depreciation	60	43
	<u>522</u>	<u>639</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

6. Auditor's remuneration

	12 months ended 31 December 2019 £000	<i>14 months ended 31 December 2018 £000</i>
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	14	<i>13</i>

7. Employees

Staff costs were as follows:

	12 months ended 31 December 2019 £000	<i>14 months ended 31 December 2018 £000</i>
Wages and salaries	1,585	<i>1,810</i>
Social security costs	142	<i>190</i>
Cost of defined contribution scheme	65	<i>63</i>
	1,792	<i>2,063</i>

Wages include compensation for loss of office.

The average monthly number of employees, including the directors, during the period was as follows:

	12 months ended 31 December 2019 No.	<i>14 months ended 31 December 2018 No.</i>
Sales, Marketing and Distribution	27	<i>28</i>
Administration	12	<i>11</i>
	39	<i>39</i>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

8. Directors' remuneration

The directors of the company are employed under a contract of service by Frontline Publishing Services Limited and are charged wholly to Frontline Limited, the parent company, for services to group companies. It is not felt practical to apportion the cost to subsidiaries.

9. Interest receivable

	12 months ended 31 December 2019 £000	<i>14 months ended 31 December 2018 £000</i>
Other interest receivable	3	-
	3	-
	3	-

10. Taxation

	12 months ended 31 December 2019 £000	<i>14 months ended 31 December 2018 £000</i>
Corporation tax		
Current tax for the year	56	16
Adjustments in respect of previous periods	(40)	-
	16	16
	16	16
Deferred tax		
Accelerated capital allowances	-	(3)
Tax relief on loss	-	(29)
Adjustment to tax charge in respect of prior periods	24	-
	24	(32)
Total deferred tax	24	(32)
Taxation on ordinary activities	40	(16)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

10. Taxation (continued)

Factors affecting tax charge for the period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	12 months ended 31 December 2019 £000	<i>14 months ended 31 December 2018 £000</i>
Profit on ordinary activities before tax	248	<i>(222)</i>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19%	47	<i>(39)</i>
Effects of:		
Tax rate changes	-	<i>4</i>
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	9	<i>19</i>
Adjustments to tax charge in respect of prior periods	(16)	<i>-</i>
Total tax charge for the period	40	<i>(16)</i>

Factors that may affect future tax charges

A reduction in the UK corporation tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016, and the UK deferred tax asset/(liability) as at 31 December 2019 has been calculated based on this rate.

The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020, and this change was substantively enacted on 17 March 2020. This change will not materially affect the company's future tax charge.

In the 3 March 2021 Budget it was announced that the UK tax rate will increase to 25% from 1 April 2023. This change is deemed not to materially affect the company's future tax charge and so has not been quantified.

GOLD KEY MEDIA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

11. Intangible assets

	Customer Contracts £000	Trademarks £000	Total £000
Cost			
At 1 January 2019	194	3,161	3,355
At 31 December 2019	<u>194</u>	<u>3,161</u>	<u>3,355</u>
Amortisation			
At 1 January 2019	79	369	448
Charge for the period on owned assets	30	316	346
At 31 December 2019	<u>109</u>	<u>685</u>	<u>794</u>
Net book value			
At 31 December 2019	<u>85</u>	<u>2,476</u>	<u>2,561</u>
At 31 December 2018	<u>115</u>	<u>2,792</u>	<u>2,907</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

12. Tangible fixed assets

	Fixtures and fittings £000	Computer equipment £000	Total £000
Cost or valuation			
At 1 January 2019	65	68	133
Additions	13	185	198
At 31 December 2019	78	253	331
Depreciation			
At 1 January 2019	25	18	43
Charge for the period on owned assets	23	37	60
At 31 December 2019	48	55	103
Net book value			
At 31 December 2019	30	198	228
<i>At 31 December 2018</i>	40	50	90

GOLD KEY MEDIA LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019****13. Debtors**

	2019 £000	2018 £000
Due after more than one year		
Other debtors	44	44
Deferred tax asset	8	-
	<u>52</u>	<u>44</u>
	2019 £000	2018 £000
Due within one year		
Trade debtors	1,963	2,458
Amounts owed by group undertakings	85	13
Other debtors	15	279
Prepayments and accrued income	51	85
Deferred taxation	-	32
	<u>2,114</u>	<u>2,867</u>

Amounts owed by group undertakings are non-interest bearing and payable on demand.

14. Cash and cash equivalents

	2019 £000	2018 £000
Cash at bank and in hand	978	414
	<u>978</u>	<u>414</u>

GOLD KEY MEDIA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

15. Creditors: Amounts falling due within one year

	2019 £000	2018 £000
Trade creditors	100	211
Amounts owed to group undertakings	4,236	4,905
Other taxation and social security	62	130
Accruals and deferred income	1,520	1,276
	5,918	6,522

Amounts owed to group undertakings are non-interest bearing and payable on demand.

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

	2019 £000	2018 £000
Other creditors	13	6
	13	6

17. Deferred taxation

	2019 £000	2018 £000
At beginning of year	32	-
Charged to profit or loss	(24)	32
At end of year	8	32

The deferred tax asset is made up as follows:

	2019 £000	2018 £000
Accelerated capital allowances	4	3
Short term trading differences	4	-
Tax losses	-	29
	8	32

GOLD KEY MEDIA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

18. Share capital

	2019	2018
	£000	£000
Allotted, called up and fully paid		
1 (2018 - 1) Ordinary share of £1.00	-	-

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company.

19. Reserves

Profit and loss account

Reserves consist of the profit to date of £2000. There is no distribution to the shareholders declared.

20. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund. Contributions totalling £65,000 were payable to the fund for the year and no liability existed at the reporting date.

21. Commitments under operating leases

At 31 December 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019	<i>As restated</i>
	£000	2018
		£000
Not later than 1 year	87	87
Later than 1 year and not later than 5 years	-	44
	87	131

22. Related party disclosures

The directors consider the following companies to be related parties during the period for the following reasons:

Related Party	By virtue of
Bauer Consumer Media Limited H Bauer Publishing Limited	Being members of the ultimate parent company group

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

<p>Frontline Limited and its subsidiaries</p> <p>Immediate Media Company London Limited and Haymarket Media Group</p>	<p>Frontline Limited being the immediate parent undertaking</p> <p>Being entities with significant influence</p>
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	2019 £000
Sales to group undertakings	144
Purchases from group undertakings	6
Trade debtors from group undertakings	10
Sales to Entities with significant influence	65
Trade debtors from Entities with significant influence	18

The company is exempt under the terms of the Financial Reporting Standard 102 from disclosing related party transactions with entities that are wholly owned within the Frontline Limited Group. All related party transactions are unsecured and cash settled.

23. Post balance sheet events

In March 2020 the government introduced strict lockdown measures in order to contain the effects of the global COVID-19 pandemic which has severely impacted many local economies around the globe. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Governments and central banks have responded with monetary and fiscal interventions to stabilise economic conditions.

The Company has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as at 31st December 2019 have not been adjusted to reflect their impact.

24. Controlling party

The Controlling parent company of Gold Key Media Limited is Frontline Limited, a company registered in England and Wales. Frontline Limited is the parent company of the smallest group into which the Company's results are consolidated.

The ultimate parent company of Gold Key Media Limited is Heinrich Bauer Verlag Beteiligungs GmbH, which is incorporated in Germany situated in Burchardstr. 11, Brieffach 4656, 20077 Hamburg Deutschland and is the parent company of the largest group into which the Company's results are consolidated.

The consolidated accounts may be obtained from Media House, Lynchwood, Peterborough Business Park, Peterborough, PE2 6EA