

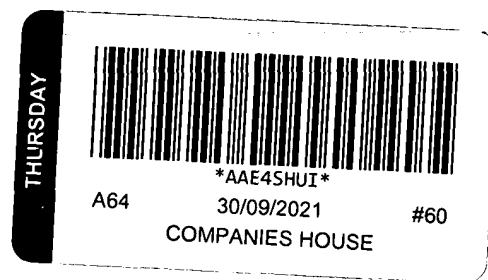
Citywire Holdings Limited

Report and Financial Statements

Year Ended

31 December 2020

Company Number 04050382



Citywire Holdings Limited

Company Information

Directors	J L Lever D C Turner K R Gundle R S Lander M W Wood N S Collard G R Ball G N Dawson R S Reichenbach G D Williams A J Moody
Registered number	04050382
Registered office	3 Spring Mews London England SE11 5AN
Independent auditor	BDO LLP 55 Baker Street London W1U 7EU
Bankers	NatWest Bank Plc 10 Southwark Street London SE1 1TJ

Citywire Holdings Limited

Contents

	Page
Group strategic report	1 - 3
Directors' report	4 - 5
Independent auditor's report	6 - 9
Consolidated statement of comprehensive income	10
Consolidated statement of financial position	11 - 12
Company statement of financial position	13
Consolidated statement of changes in equity	14
Company statement of changes in equity	15
Consolidated statement of cash flows	16 - 17
Notes to the financial statements	18 - 40

Citywire Holdings Limited

Group Strategic Report for the Year Ended 31 December 2020

The directors present their strategic report together with the audited consolidated financial statements for Citywire Holdings Limited ("the company") for the year ended 31 December 2020.

Introduction, Principal Activities and Business Review

The principal activity of the company during the year was that of a top holding company for Citywire.

Citywire is an independent financial content business which creates communities of professional investors around the world. Our philosophy is to create and distribute valuable content to help people make better financial decisions.

Citywire Holdings Limited and its subsidiaries, ("Citywire") conducts the following principal activities:

- We publish financial websites and magazines aimed at professional investors around the world. We publish in English, Italian, German, French, Spanish and Portuguese. Our content ranges from print, to online, to podcasts, infographics, and video. These generate advertising and sponsorship revenues.
- We create unique data on individual fund manager performance. We currently track over 16,000 individual fund managers running funds available for sale in more than 80 countries. Asset management groups wishing to use the Citywire Ratings which are created from our independent data, pay a subscription licence fee.
- We hold Events bringing together fund managers with fund buyers. These are typically face to face Events which take place in approximately 20 different countries. Since the pandemic we have switched primarily to Virtual Events. The Events are sponsored by our asset management clients.
- We gather unique data on a wide range of financial professionals who access our websites in 42 countries and/or attend our Events. This enables us to create subscription based digital marketing services.

We have offices in the UK (London and Brighton), in New York, Milan, Munich and Singapore.

Going concern

On 11 March 2020, the World Health Organization declared the outbreak of the coronavirus (COVID-19) a global pandemic. To date, there has been no material long term change in the business. After reviewing and assessing the level of current activities and new project leads still coming in across all locations, the directors are confident that the pandemic will not have a material adverse effect on the Company and the going concern basis upon which the consolidated financial statements are based. As part of their consideration of the going concern assumption, the directors have modelled cash flows and applied sensitivities to revenues already committed and excluding new uncommitted project revenue, and concluded the business would maintain a positive cash position for at least twelve months from signing the financial statements. Nonetheless, the directors are closely monitoring the business activity and mitigating liquidity risk by pursuing and winning new business from existing clients and new clients during this uncertain business environment.

Citywire Holdings Limited

Group Strategic Report (continued) for the Year Ended 31 December 2020

Principal risks and uncertainties

The following risks could impact our future performance:

Attracting and retaining the right number of good quality staff

We spend a long time on recruiting the right staff with interviews, psychometric and IQ tests. We strive to make Citywire an attractive place to work with a range of benefits, extra-curricular activities and focused attention on each individual's performance.

Information is an asset that Citywire has a duty and responsibility to protect

The availability of complete and accurate information is essential to the Organisation functioning in an efficient manner and to providing products and services to customers.

Our Information Security Policy sets out a framework for protecting Citywire's information assets:

- to protect Citywire's information from all threats, whether internal or external, deliberate or accidental
- to enable secure information sharing
- to encourage consistent and professional use of information
- to ensure business continuity and minimise business damage
- to protect the organisation from legal liability and the inappropriate use of information

Financial key performance indicators

	2020	2019
	£	£
Annualised turnover (decline) / growth	(35%)	7%
Net profit margin on ordinary activities before taxation	8%	16%

Citywire Holdings Limited

Group Strategic Report (continued) for the Year Ended 31 December 2020

Financial performance and risk management

We are a profitable, cash generative business. The company has no bank borrowing and substantial cash resources. Up until now all growth has been organic.

Results and dividends

The company made a profit after taxation of £1,768,739 (2019 - £5,004,807). Dividends of £Nil (2019 - £4,674,799) were proposed and paid during the year .

Personnel

We continue to attract very high-quality people to Citywire. We continue to invest in IT, production, office management, research, business intelligence, sales, and editorial resources. We have built our third TV Studio in 2020 so we now have two in London and one in New York.

Awards and surveys

Citywire and its journalists continue to win awards. By way of example in 2020 Citywire won the following Awards in the UK:

Headlinemoney B2B title of the year – New Model Adviser
Headline Money Outstanding Achievement Award - Ollie Smith
NextGen Planners Journalist of the Year 2020 – Laura Purkess
Platform Journalist of the year, Schroders Platform Awards – Jack Gilbert

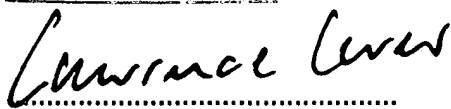
Future prospects

Trading up to the date of signing the financial statements has been challenging but also positive in many ways. The loss of our face to face Events was a significant blow but the company moved quickly to be able to work remotely in every territory where we have offices. We were also quick to launch virtual events for our clients and have generated revenues from them. Moreover, a number of digital initiatives that were in the pipeline have happened far more quickly than anticipated, leading to benefits in terms of our infrastructure, valuable databases and ability to deliver targeted solutions to our clients both now and in the future. Covid-19 will continue to have an impact on our business until we are able to resume our face to face Events.

While we made the decision not to have a redundancy programme or enforced pay reductions, we have conducted a full review of our operating expenditure and also took steps to reduce our liability for Events related contracts (such as advance hotel bookings).

Expenditure has reduced significantly because we are not holding Events and also because we were able in nearly all cases to significantly reduce, eliminate or defer liabilities for Events which had been committed to with hotel providers. We are assessing the ever-changing Covid-19 circumstances on an ongoing basis, including the availability of assistance from Government financing initiatives. In the meantime, we have accelerated a number of initiatives designed to widen our global footprint and which will help the company build out its databases and product suite for clients. We are well placed to grow from new digital initiatives and have a strong programme planned of face to face events as soon as the pandemic recedes to the point where we are able to resume them.

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



Lawrence Lever
Director

Date: 28/09/2021

Citywire Holdings Limited

Directors' Report for the Year Ended 31 December 2020

The directors present their report and the financial statements for the year ended 31 December 2020.

Directors' responsibilities

The directors are responsible for preparing the group strategic report, the directors' report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 the group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Results and dividends

The profit for the year, after taxation, amounted to £1,768,739 (2019 - £5,004,807).

During the year, the group made charitable donations of £19,290 (2019 - £60,489).

Directors

The directors who served during the year were:

J L Lever
D C Turner
K R Gundle
R S Lander
M W Wood
N S Collard
G R Ball
G N Dawson
R S Reichenbach
G D Williams
A J Moody

Citywire Holdings Limited

Directors' Report (continued) for the Year Ended 31 December 2020

Disclosure of information to auditor

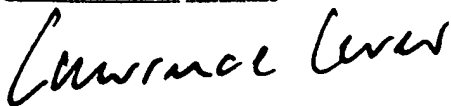
Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company and the group'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 and the group's auditor is aware of that information.

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



J L Lever
Director

Date: 28/09/2021

Citywire Holdings Limited

Independent Auditor's Report to the Members of Citywire Holdings Limited

Opinion

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2020 and of the group's profit for the period 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.

We have audited the financial statements of Citywire Holdings Limited ("the parent company") and its subsidiaries ("the group") for the year ended 31 December 2020 which comprise the consolidated statement of comprehensive income, consolidated and company statements of financial position, the consolidated and company statements of changes in equity, consolidated 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and the Parent 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.

Conclusions relating to going concern

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

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

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

Citywire Holdings Limited

Independent Auditor's Report to the Members of Citywire Holdings Limited (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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

- the information given in the strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and directors' report.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

Citywire Holdings Limited

Independent Auditor's Report to the Members of Citywire Holdings Limited (continued)

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.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and Parent Company. We determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting framework (United Kingdom Generally Accepted Accounting Practice), the Companies Act 2006 and relevant tax compliance legislation.
- We understood how the Group and Parent Company are complying with those legal and regulatory frameworks by making enquiries of management, those responsible for legal and compliance procedures and through reviewing legal correspondence. We corroborated our enquiries through our review of board minutes and discussion with management.
- We assessed the susceptibility of the Group and Parent Company's financial statements to material misstatement, including how fraud might occur by meeting with management from various parts of the business to understand where it is considered there was a susceptibility of fraud.
- Our audit planning identified fraud risks in relation to management override and inappropriate or incorrect revenue recognition. We obtained an understanding of the processes and controls that the group has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how management monitors these processes and controls.
- With regards to the fraud risk in management override, our procedures included journal transaction testing, with a focus on large or unusual transactions based on our knowledge of the business. We also performed an assessment on the appropriateness of key judgements and estimates which are subject to management's judgement and estimation, and could be subject to potential bias.
- We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.


A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Citywire Holdings Limited

Independent Auditor's Report to the Members of Citywire Holdings Limited (continued)

Use of our report

This report is made solely to the group'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.

DocuSigned by:

10C9EC8B0DC0441...

Peter Smithson (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom

Date: 29 September 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Citywire Holdings Limited

Consolidated Statement of Comprehensive Income for the Year Ended 31 December 2020

	Note	2020 £	2019 £
Turnover	4	25,754,836	39,900,488
Administrative expenses		(24,456,915)	(33,727,187)
Other operating income		708,734	-
Operating profit	5	2,006,655	6,173,301
Interest receivable and similar income	9	12,071	30,134
Interest payable and similar charges	10	(44,372)	(44,577)
Profit before taxation		1,974,354	6,158,858
Tax on profit	11	(205,615)	(1,154,051)
Profit for the financial year		1,768,739	5,004,807
Gain/(loss) on foreign currency translation		28,038	(43,051)
Total comprehensive income for the year - due to the owners of the parent company		1,796,777	4,961,756

All amounts relate to continuing operations

There were no recognised gains and losses for 2020 or 2019 other than those included in the consolidated statement of comprehensive income.

The notes on pages 18 to 40 form part of these financial statements.

Citywire Holdings Limited

Registered number: 04050382

Consolidated Statement of Financial Position as at 31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	12	2,003	6,699
Tangible assets	13	1,020,113	1,297,854
		<u>1,022,116</u>	<u>1,304,553</u>
Current assets			
Debtors: amounts falling due after more than one year	15	165,265	165,265
Debtors: amounts falling due within one year	15	8,748,861	12,023,968
Cash and cash equivalents	16	13,676,068	4,314,778
		<u>22,590,194</u>	<u>16,504,011</u>
Creditors: amounts falling due within one year	17	(9,333,326)	(9,438,760)
Net current assets		<u>13,256,868</u>	<u>7,065,251</u>
Total assets less current liabilities		<u>14,278,984</u>	<u>8,369,804</u>
Creditors: amounts falling due after more than one year	18	(5,964,558)	(1,658,983)
Provisions for liabilities			
Deferred taxation	21	(77,465)	(127,201)
Dilapidation provision	22	(50,000)	(50,000)
Net assets		<u>8,186,961</u>	<u>6,533,620</u>
Capital and reserves			
Share capital	23	699,339	699,339
Share premium	24	5,630	5,630
Foreign exchange reserve	24	22,816	(5,222)
Own shares held by EBT	24	(1,773,727)	(1,630,291)
Profit and loss account	24	9,232,903	7,464,164
Equity attributable to owners of the parent company		<u>8,186,961</u>	<u>6,533,620</u>

Citywire Holdings Limited
Registered number: 04050382

Consolidated Statement of Financial Position (continued)
as at 31 December 2020

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



.....
J L Lever
Director

Date: 28/09/2021

The notes on pages 18 to 40 form part of these financial statements.

Citywire Holdings Limited

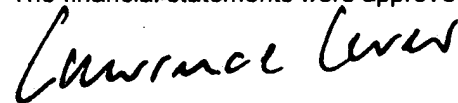
Registered number: 04050382

Company Statement of Financial Position as at 31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Investments	14	4,194,550	4,194,550
Current assets			
Debtors	15	8,099,586	8,737,464
Cash and cash equivalents	16	5,516,720	346,017
		<u>13,616,306</u>	<u>9,083,481</u>
Creditors: amounts falling due within one year	17	(9,696,545)	(9,284,896)
Net current assets/(liabilities)		<u>3,919,761</u>	<u>(201,415)</u>
Total assets less current liabilities		<u>8,114,311</u>	<u>3,993,135</u>
Creditors: amounts falling due after more than one year	18	(5,964,558)	(1,658,983)
Net assets		<u><u>2,149,753</u></u>	<u><u>2,334,152</u></u>
Capital and reserves			
Share capital	23	699,339	699,339
Share premium	24	5,630	5,630
Own shares held by EBT	24	(1,773,727)	(1,630,291)
Profit and loss account		3,218,511	3,259,474
		<u>2,149,753</u>	<u>2,334,152</u>

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The loss after tax of the parent company for the period was £40,963 (2019 - profit of £3,833,939).

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



.....
J L Lever
Director

Date: 28/09/2021

The notes on pages 18 to 40 form part of these financial statements.

Citywire Holdings Limited

Consolidated Statement of Changes in Equity for the Year Ended 31 December 2020

	Share capital £	Share premium £	Foreign exchange reserve £	Own shares held by EBT £	Profit and loss account £	Total equity £
At 1 January 2020	699,339	5,630	(5,222)	(1,630,291)	7,464,164	6,533,620
Comprehensive income for the year						
Profit for the year	-	-	-	-	1,768,739	1,768,739
Currency translation differences	-	-	28,038	-	-	28,038
Contributions by and distributions to owners						
Consideration received for sale of own shares	-	-	-	(143,436)	-	(143,436)
At 31 December 2020	699,339	5,630	22,816	(1,773,727)	9,232,903	8,186,961

Consolidated Statement of Changes in Equity for the Year Ended 31 December 2019

	Share capital £	Share premium £	Foreign exchange reserve £	Own shares held by EBT £	Profit and loss account £	Total equity £
At 1 January 2019	699,339	5,630	37,829	(1,744,656)	7,132,522	6,130,664
Comprehensive income for the year						
Profit for the year	-	-	-	-	5,004,807	5,004,807
Currency translation differences	-	-	(43,051)	-	-	(43,051)
Contributions by and distributions to owners						
Dividends paid	-	-	-	-	(4,673,165)	(4,673,165)
Consideration received for sale of own shares	-	-	-	114,365	-	114,365
At 31 December 2019	699,339	5,630	(5,222)	(1,630,291)	7,464,164	6,533,620

Citywire Holdings Limited

Company Statement of Changes in Equity for the Year Ended 31 December 2020

	Share capital £	Share premium £	Own shares held by EBT £	Profit and loss account £	Total equity £
At 1 January 2020	699,339	5,630	(1,630,291)	3,259,474	2,334,152
Comprehensive loss for the year					
Loss for the year	-	-	-	(40,963)	(40,963)
Contributions by and distributions to owners					
Consideration received for sale of own shares	-	-	(143,436)	-	(143,436)
At 31 December 2020	699,339	5,630	(1,773,727)	3,218,511	2,149,753

Company Statement of Changes in Equity for the Year Ended 31 December 2019

	Share capital £	Share premium £	Own shares held by EBT £	Profit and loss account £	Total equity £
At 1 January 2019	699,339	5,630	(1,744,656)	4,100,334	3,060,647
Comprehensive income for the year					
Profit for the year	-	-	-	3,833,939	3,833,939
Contributions by and distributions to owners					
Dividends paid	-	-	-	(4,674,799)	(4,674,799)
Consideration received for sale of own shares	-	-	114,365	-	114,365
At 31 December 2019	699,339	5,630	(1,630,291)	3,259,474	2,334,152

The notes on pages 18 to 40 form part of these financial statements.

Citywire Holdings Limited

Consolidated Statement of Cash Flows for the Year Ended 31 December 2020

	2020 £	2019 £
Cash flows from operating activities		
Profit for the financial year	1,768,739	5,004,807
Adjustments for:		
Amortisation of intangible assets	4,696	4,744
Depreciation of tangible assets	519,058	428,368
Interest paid	44,372	44,577
Interest received	(12,071)	(30,134)
Taxation charge	205,615	1,154,051
Decrease/(increase) in debtors	3,275,107	(3,025,681)
(Decrease)/increase in creditors	(636,492)	1,891,066
Corporation tax paid	(390,892)	(1,120,581)
Foreign exchange movements	-	(43,051)
Net cash generated from operating activities	4,778,132	4,308,166
Cash flows from investing activities		
Purchase of intangible fixed assets	-	(7,164)
Purchase of tangible fixed assets	(241,105)	(1,050,565)
Interest received	12,071	30,134
Net cash from investing activities	(229,034)	(1,027,595)
Cash flows from financing activities		
New secured loans	5,000,000	-
Dividends paid	-	(4,673,165)
Interest paid	(44,372)	(44,577)
Purchase of own share from Employee Benefit Trust	(143,436)	114,365
Net cash from / (used in) financing activities	4,812,192	(4,603,377)
Net increase/(decrease) in cash and cash equivalents	9,361,290	(1,322,806)

Citywire Holdings Limited

Consolidated Statement of Cash Flows (continued) for the Year Ended 31 December 2020

	2020 £	2019 £
Cash and cash equivalents at beginning of year	4,314,778	5,637,584
Cash and cash equivalents at the end of year	13,676,068	4,314,778
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	13,676,068	4,314,778
	13,676,068	4,314,778

The notes on pages 18 to 40 form part of these financial statements.

Citywire Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

1. General information

Citywire Holdings Limited (the "company") is a limited liability company incorporated in England and Wales. The address of the registered office of the company is stated on the company information page and the nature of the company's operations and its principal activities are set out in the directors' report.

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

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the company and its own subsidiaries ("the group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 January 2014.

2.3 Going concern

The consolidated financial statements have been prepared on a going concern basis, which assumes that the Company and Group will continue in operational existence for the foreseeable future as disclosed in the Strategic Report. As part of the assessment of going concern, the directors have prepared detailed forecasts for the financial periods FY2021 and FY2022 under various scenarios to consider the impact of COVID-19. Under each scenario management are confident that the Group will continue to have adequate resources to meet obligations as they arise for a period of at least 12 months from the date of signing these consolidated financial statements, and as such the use of the going concern assumption is reasonable.

Citywire Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured. Revenue represents amounts mainly derived from events, subscriptions and advertising and is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Events — revenue generated through sponsorship of events is recognised upon completion of the event. Amounts received or invoiced in advance are included within deferred income.

Licensing — revenue comprises annual subscription fees for the provision of financial information and analytics and is recognised over the period in which the service is provided. Amounts received in advance of the provision of services are included within deferred income.

Advertising (online) — revenue 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 revenue can be reliably measured;
- It is probable that the group will receive the consideration due under the contract.

Advertising (print) — revenue generated from magazine advertising is recognised upon publication of the magazine.

Citywire Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

2. Accounting policies (continued)

2.5 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

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

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the consolidated statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.6 Operating leases: the group as lessee

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

2.7 Interest income

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

2.8 Finance costs

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

Citywire Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

2. Accounting policies (continued)

2.9 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown as a liability in the statement of financial position. The assets of the plan are held separately from the group in independently administered funds.

2.10 Current and deferred taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company and the group operate and generate income.

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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

Citywire Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

2. Accounting policies (continued)

2.11 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.

Goodwill represents the difference between amounts paid on the acquisition of a business and the fair value of the group's share of identifiable assets and liabilities at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the consolidated statement of comprehensive income over its estimated useful economic life.

Computer software is initially recognised at cost. After recognition, computer software is measured at cost less accumulated amortisation and any accumulated impairment losses. Computer software is amortised over its estimated useful economic life of 2 years.

2.12 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.

The group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

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

Depreciation is provided on the following basis:

Fixtures and fittings	-	20%
Computer equipment	-	33%

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

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

2.13 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Citywire Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

2. Accounting policies (continued)

2.14 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.

2.15 Cash and cash equivalents

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

In the consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the group's cash management.

2.16 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.

2.17 Provisions for liabilities

Provisions are made where an event has taken place that gives the group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the group becomes aware of the obligation, and are measured at the best estimate at the statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the statement of financial position.

2.18 Financial instruments

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

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Citywire Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

2. Accounting policies (continued)

2.18 Financial instruments (continued)

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 consolidated statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an 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.

2.19 Dividends

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

2.20 Employee benefit trust

The employee benefit trust is a separately administered discretionary trust for the benefit of employees, the assets of which comprise shares in the company. Consistent with the treatment outlined in FRS 102, the material assets, liabilities, income and costs of the ESOP are consolidated within these financial statements. Until such time as the company's own shares held by the trust vest unconditionally in the employees, the consideration paid for the shares is deducted in arriving at shareholder's funds.

Citywire Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

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

In preparing these financial statements, the directors have had to make the following judgements:

- Determine whether leases entered into by the group are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the group's tangible and intangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
- Determine whether the Employee Share Ownership Plan (ESOP) should be considered to be under the control or de facto control of the parent company. The judgement that the parent company does exert de facto control has resulted in the ESOP's assets and liabilities being recognised on the parent company and consolidated balance sheets.
- Management have made a judgement not to include a charge relating to share based payments in the statement of comprehensive income, due to the immaterial effect the charge would have on the financial statements

Other key sources of estimation uncertainty

- **Tangible fixed assets (see note 13)**
Tangible fixed assets, other than investments properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.
- **Investments (see note 14)**
The most critical estimates, assumptions and judgements relate to the determination of carrying value of investments at fair value through the profit and loss account, the group follows the International Private Equity and Venture Capital Valuation Guidelines, applying the overriding concept that fair value is the amount for which an asset can be exchanged between knowledgeable willing parties in an arm's length transaction. The nature, facts and circumstances of the investment drives the valuation methodology.

Citywire Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

4. Turnover

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

	2020 £	2019 £
Print advertising	4,956,357	6,916,894
Digital advertising	7,756,289	7,174,479
Licensing	6,411,996	5,649,614
Events	6,630,194	19,789,492
Other	-	370,009
	<u>25,754,836</u>	<u>39,900,488</u>

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	11,557,537	17,951,553
Rest of Europe	3,587,364	12,586,361
Rest of the world	10,609,935	9,362,574
	<u>25,754,836</u>	<u>39,900,488</u>

5. Operating profit

The operating profit is stated after charging:

	2020 £	2019 £
Depreciation of tangible fixed assets	519,058	428,368
Amortisation of intangible fixed assets, including goodwill	4,696	4,744
Exchange differences	8,974	-
Other operating lease rentals	603,510	673,911
	<u>603,510</u>	<u>673,911</u>

Citywire Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

6. Auditor's remuneration

	2020 £	2019 £
Fees payable to the group's auditor and its associates for the audit of the company's annual financial statements	17,500	17,500
Fees payable to the group's auditor and its associates for the audit of the annual financial statements of subsidiaries of the company	56,000	56,000
	<u>73,500</u>	<u>73,500</u>
Fees payable to the group's auditor and its associates in respect of:		
Taxation compliance services	15,000	15,000
Other services	10,000	10,000
	<u>25,000</u>	<u>25,000</u>

7. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Wages and salaries	13,030,438	14,336,525	-	-
Social security costs	1,246,369	1,264,108	-	-
Cost of defined contribution scheme	960,951	929,932	-	-
	<u>15,237,758</u>	<u>16,530,565</u>	<u>-</u>	<u>-</u>

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

	2020 No.	2019 No.
Administration	<u>251</u>	<u>248</u>

Citywire Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

8. Directors' remuneration

	2020 £	2019 £
Directors' emoluments	1,653,767	2,447,211
Company contributions to defined contribution pension schemes	42,070	69,218
	<u>1,695,837</u>	<u>2,516,429</u>

During the year retirement benefits were accruing to 4 directors (2019 - 4) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £345,840 (2019 - £602,152).

The value of the company's contributions paid to a defined benefit pension scheme in respect of the highest paid director amounted to £9,250 (2019 - £4,689).

Total outstanding share options held by the directors at 31 December 2020 were 744,178 at 46p per share (2019 - 744,178 at 46p per share), 141,578 at 48p per share (2019 - 141,578 at 48p per share), 40,000 at 44p per share (2019 - 300,000 at 44p per share) and 64,000 at 70p per share (2019 - 64,000 at 70p per share).

9. Interest receivable and similar income

	2020 £	2019 £
Loan interest receivable - employee loans	7,555	9,861
Bank interest receivable	4,516	20,273
	<u>12,071</u>	<u>30,134</u>

10. Interest payable and similar charges

	2020 £	2019 £
Dividend paid on Redeemable A Preference shares	44,372	44,577

Citywire Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

11. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	366,258	1,143,029
Adjustments in respect of previous periods	(130,105)	(130,258)
	<u>236,153</u>	<u>1,012,771</u>
Foreign tax		
Foreign tax on income for the year	19,198	34,880
	<u>255,351</u>	<u>1,047,651</u>
Deferred tax		
Origination and reversal of timing differences	(22,810)	103,157
Adjustments in respect of previous periods	(26,926)	745
Effect of tax rate change	-	2,498
	<u>(49,736)</u>	<u>106,400</u>
Taxation on profit on ordinary activities	<u>205,615</u>	<u>1,154,051</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2019 - lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	<u>1,974,354</u>	<u>6,158,859</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	375,127	1,170,183
Effects of:		
Fixed asset differences	33,348	12,906
Expenses not deductible for tax purposes	8,606	97,977
Adjustments to tax charge in respect of prior periods	(157,031)	(129,513)
Difference in tax rates	(54,435)	2,498
Total tax charge for the year	<u>205,615</u>	<u>1,154,051</u>

Citywire Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

12. Intangible assets

Group and Company

	Computer software £	Goodwill £	Total £
Cost			
At 1 January 2020	154,173	4,567,840	4,722,013
At 31 December 2020	<u>154,173</u>	<u>4,567,840</u>	<u>4,722,013</u>
Amortisation			
At 1 January 2020	147,474	4,567,840	4,715,314
Charge for the year	4,696	-	4,696
At 31 December 2020	<u>152,170</u>	<u>4,567,840</u>	<u>4,720,010</u>
Net book value			
At 31 December 2020	<u>2,003</u>	<u>-</u>	<u>2,003</u>
At 31 December 2019	<u>6,699</u>	<u>-</u>	<u>6,699</u>

Citywire Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

13. Tangible fixed assets

Group

	Fixtures and fittings £	Computer equipment £	Total £
Cost			
At 1 January 2020	1,660,314	1,430,822	3,091,136
Additions	32,383	208,722	241,105
Exchange adjustments	251	3	254
At 31 December 2020	<u>1,692,948</u>	<u>1,639,547</u>	<u>3,332,495</u>
Depreciation			
At 1 January 2020	796,256	997,026	1,793,282
Charge for the year	218,343	300,715	519,058
Exchange adjustments	41	1	42
At 31 December 2020	<u>1,014,640</u>	<u>1,297,742</u>	<u>2,312,382</u>
Net book value			
At 31 December 2020	<u>678,308</u>	<u>341,805</u>	<u>1,020,113</u>
At 31 December 2019	<u>864,058</u>	<u>433,796</u>	<u>1,297,854</u>

Citywire Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

14. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost	
At 1 January 2020	4,194,550
At 31 December 2020	<u>4,194,550</u>

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Registered office	Principal activity	Class of shares	Holding
Russell Administration Ltd	England and Wales	Group services	Ordinary	100%
Citywire Financial Publishers Ltd	England and Wales	Financial publishers	Ordinary	100%
MrsCohen.com Ltd	England and Wales	Dormant	Ordinary	100%
SmallerCo.com Ltd	England and Wales	Dormant	Ordinary	100%
Citywire Ltd	England and Wales	Dormant	Ordinary	100%
Mrs Cohen Incorporated Ltd	England and Wales	Dormant	Ordinary	100%
Scratch Design Ltd	England and Wales	Dormant	Ordinary	100%
Citywire GmbH*	Germany	Financial publishers	Ordinary	100%
Citywire PTE Ltd*	Singapore	Financial publishers	Ordinary	100%
Citywire Hong Kong*	Hong Kong	Dormant	Ordinary	100%
Citywire US LLC*	United States of America	Financial publishers	Ordinary	100%
Citywire Srl*	Italy	Financial publishers	Ordinary	100%

Citywire Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

14. Fixed asset investments (continued)

Subsidiary undertakings (continued)

* indirectly held

The registered address for Russell Administration Ltd, Citywire Financial Publishers Ltd, MrsCohen.com Ltd, SmallerCo.com Ltd, Citywire Ltd, Mrs Cohen Incorporated Ltd and Scratch Design Ltd is 3 Spring Mews, London, England, SE11 5AN.

The registered office address for Citywire GmbH is Mies-van-der-Rohe-Str. 4, Munich, 80807, Germany.

The registered office address for Citywire PTE Ltd is AXA Tower, Level 50, 8 Shenton Way, 38811, Singapore.

The registered office address for Citywire Hong Kong is Suite 1106-8, 11/F, Tai Yau Building, 181 Johnston Road, Wanchai, Hong Kong.

The registered office address for Citywire US LLC is 141 West 36th Street, 2nd Floor, New York, NY10018, United States.

The registered office address for Citywire Srl is 3 Piano, Via Spadari, 7/9, 20123 Milano, Italy.

15. Debtors

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Due after more than one year				
Other debtors	<u>165,265</u>	<u>165,265</u>	<u>-</u>	<u>-</u>
	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Due within one year				
Trade debtors	4,701,563	5,726,211	-	-
Amounts owed by group undertakings	-	-	7,503,016	8,012,974
Other debtors	2,449,654	2,343,830	596,570	724,490
Prepayments and accrued income	1,597,644	3,953,927	-	-
	<u>8,748,861</u>	<u>12,023,968</u>	<u>8,099,586</u>	<u>8,737,464</u>

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

Citywire Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

16. Cash and cash equivalents

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Cash at bank and in hand	<u>13,676,068</u>	<u>4,314,778</u>	<u>5,516,720</u>	<u>346,017</u>

17. Creditors: Amounts falling due within one year

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Bank loans	694,425	-	694,425	-
Trade creditors	537,911	501,352	-	-
Amounts owed to group undertakings	-	-	8,956,831	8,777,340
Corporation tax	233,953	419,230	710	-
Other taxation and social security	3,859,580	2,234,031	-	-
Other creditors	469,975	457,156	-	-
Accruals and deferred income	3,537,482	5,826,991	44,579	507,556
	<u>9,333,326</u>	<u>9,438,760</u>	<u>9,696,545</u>	<u>9,284,896</u>

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

On 27 July 2020 the company received a loan from Natwest, the bankers of the company. The loan is secured against the assets of the company and carries interest of 2% per annum, effective after the first year. The loan is expected to be repaid on 27 July 2024.

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

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Bank loans	4,305,575	-	4,305,575	-
Share capital treated as debt	1,658,983	1,658,983	1,658,983	1,658,983
	<u>5,964,558</u>	<u>1,658,983</u>	<u>5,964,558</u>	<u>1,658,983</u>

Disclosure of the terms and conditions attached to the non-equity shares is made in note 23.

Citywire Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

19. Loans

Analysis of the maturity of loans is given below:

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Amounts falling due within one year				
Bank loans	694,425	-	694,425	-
Amounts falling due 1-2 years				
Bank loans	4,305,575	-	4,305,575	-
	<u>5,000,000</u>	<u>-</u>	<u>5,000,000</u>	<u>-</u>

20. Financial instruments

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Financial assets				
Financial assets that are debt instruments measured at amortised cost	<u>20,866,294</u>	<u>12,384,819</u>	<u>13,616,308</u>	<u>9,083,481</u>
Financial liabilities				
Financial liabilities that are debt instruments measured amortised cost	<u>8,737,307</u>	<u>954,935</u>	<u>9,001,409</u>	<u>9,284,896</u>

Financial assets measured at amortised cost comprise cash, trade and other debtors and amounts owed by group undertakings (company only).

Financial liabilities measured at amortised cost comprise trade creditors, accruals, loans, other creditors and amounts owed to group undertakings (company only).

Citywire Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

21. Deferred taxation

Group

	2020 £	2019 £
At beginning of year	(127,201)	(20,801)
Charged to profit or loss	49,736	(106,400)
At end of year	(77,465)	(127,201)

The provision for deferred taxation is made up as follows:

	Group 2020 £	Group 2019 £
Accelerated capital allowances	(87,858)	(134,334)
Tax losses carried forward	10,393	7,133
	(77,465)	(127,201)

22. Provisions

Group

	Dilapidations £
At 1 January 2020	50,000
At 31 December 2020	50,000

Citywire Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

23. Share capital

	2020 £	2019 £
Shares classified as equity		
Allotted, called up and fully paid		
9,121,815 (2019 - 9,121,815) 'A' Ordinary shares of £0.01 each	91,218	91,218
57,037,322 (2019 - 57,037,322) Ordinary shares of £0.01 each	570,373	570,373
3,145,650 (2019 - 3,145,650) IV Ordinary shares of £0.01 each	31,457	31,457
629,130 (2019 - 629,130) DT Ordinary shares of £0.01 each	6,291	6,291
	<u>699,339</u>	<u>699,339</u>
	2020 £	2019 £
Shares classified as debt		
Allotted, called up and fully paid		
1,658,983 (2019 - 1,658,983) Preference shares of £1.00 each	<u>1,658,983</u>	<u>1,658,983</u>

Citywire Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

23. Share capital (continued)

The group has a share option scheme for all employees. Options are exercisable at a price equal to the average market price of the company's shares on the date of grant. The options vest immediately when granted. The options are settled in equity once exercised. If the options remain unexercised after a period of 10 years from the date of grant the options expire. Options are forfeited if the employee leaves the company. At 31 December 2020 4,421,466 (2019 - 4,650,966) options at a weighted average exercise price of £0.51 (2019 - £0.51) per share, remained unexercised.

Rights of share classes - dividends

The holders of Redeemable A Preference shares shall be entitled to be paid a dividend out of profits available for distribution and from time to time resolved by the directors to be distributed, in priority to holders of any other class of shares in the share capital of the company at the annual rate 2.867%.

Dividends of the Redeemable Preference shares are accrued in the period to which they relate and included in other creditors on the balance sheet.

Rights of non-equity share classes - winding up

Surplus assets remaining after the settlement of liabilities upon of a Liquidity Event, shall be applied in the following manner and order of priority:

- First, to pay Preferred shareholders, if they have not issued a conversion election, 150% of the issue price of such shares plus any declared but unpaid dividends
- Second, in paying the Preference and A Preference shareholder the nominal value of their shares
- Third, in paying the Preference and A Preference shareholders a premium equal to the Preferential Dividend and A Preferential Dividend whether declared or not compounded for accounting periods or part thereof for which a dividend on the shares has not been paid, and
- Fourth, in distributing the balance amongst the holders of Ordinary, 'A' Ordinary shares, IV shares and DT shares.

Rights of share classes - voting

Each Ordinary share and Redeemable Convertible Preferred share will have one vote. 'A' Ordinary shares and IV shares confer the right to receive notice and attend but not to vote at a general meeting of the company. Preference shares and A Preference shares confer the right to receive notice of but not to attend or vote at a general meeting of the company unless:

- At the date of the notice convening the meeting the Preferential Dividend or A Preferential Dividend payable on any fixed dividend date has not been declared or remains unpaid for a period of three years after any relevant fixed dividend date; or
- The business of the general meeting includes consideration of a resolution to wind up the company or any other resolution which directly or adversely varies any of the rights attached to the Preference shares or A Preference shares
- DT shares confer the right to vote on a poll at the rate of 5 votes for every DT shareholder.

Right of share classes - redemption

Upon the occurrence of a Non-Qualified IPO, change of control or a sale of the company, the Redeemable Convertible Preferred shareholders, are entitled to issue a Conversion Election or be redeemed in full (prior to and in preference to the redemption of any other equity security) by payment by the company to the holders of such shares, 150% of the Issue Price of the Preferred shares plus all accrued dividends.

In the event that prior to the fifth anniversary of the Issue Date or a Change of Control or a sale of the company has not occurred, or on a four year Preference Redemption then, at the option of the shareholders the Preferred shares shall be redeemed in full by the payment by the company to the holders of such shares, 110% of the Issue Price of the Preferred shares plus all unpaid arrears and accruals on dividends.

Citywire Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

23. Share capital (continued)

The company may redeem all or some of the Redeemable Preference shares outstanding at any time on the earlier of 30 September 2004 or a sale, Listing or Change of Control. The amount payable in respect of each Preference share be the total of:

- the nominal amount of such Preference share; and
- a premium equal to the amount of the Preferential Dividend whether declared or not compounded for each accounting period or part thereof in respect of which a Preferential Dividend has not been paid.

The company may redeem all or some of the Redeemable A Preference shares outstanding at any time on the earlier of 31 July 2014 or a sale, Listing or Change of Control. The amount payable in respect of each Preference share be the total of:

- the nominal amount of such Preference share

Rights of share classes - conversion

Each holder of Preferred shares may at any time elect to convert the whole but not part of its holding of such shares in fully paid Ordinary shares at the then applicable Conversion Rate.

24. Reserves

Share premium

Share premium accounts represents the difference between the price received by the company when issuing ordinary shares compared to the nominal value of those shares.

Foreign exchange reserve

Foreign exchange reserve includes all foreign currency translations in respect of overseas subsidiaries on consolidation.

Own shares held by EBT

An employee benefit trust was set up by Citywire Holdings Limited during the year ended 31 December 2012 to promote wider share ownership among employees. The trust purchased 3,000,000 ordinary shares and A ordinary shares of 1p each of Citywire Holdings Limited for £1,085,405 for the purposes of share based remuneration. During the year, 26,000 (2019 - 227,209) ordinary shares were transferred out of the trust at a cost of £12,929 (2019 - £103,105) following the exercise of staff share options. During the year, 347,500 ordinary shares and 5,576 A ordinary shares were purchased at a cost of £153,675 and £2,691, respectively. Loan drawdowns during the year amounted to £37,464 (2019 - £Nil). Loan repayments during the year amounted to £27 (2019 - £350,273). Consideration received on exercise was £9,360 (2019 - £103,105).

As at 31 December 2020 the trust holds 3,482,567 (2019 - 3,161,067) ordinary shares and 165,357 (2019 - 159,781) A ordinary shares in Citywire Holdings Limited.

Profit and loss account

Profit and loss account includes all current and prior period retained profits and losses.

Citywire Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

25. Pension commitments

The group operates a define contribution 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 group to the fund and amounted to £960,951 (2019 - £929,932).

26. Commitments under operating leases

At 31 December 2020 the group and the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2020 £	Group 2019 £
Not later than 1 year	398,680	475,417
Later than 1 year and not later than 5 years	1,471,603	1,672,181
Later than 5 years	734,510	941,785
	<u>2,604,793</u>	<u>3,089,383</u>

The group recognised £471,011 (2019 - £673,911) of rent expense in relation to operating leases during the year. A refundable deposit amounting to £165,265 is outstanding in relation to a long-term lease of an office space, presented within debtors in the consolidated statement of financial position.

27. Related party transactions

The company is exempt under paragraph 33.1A of FRS 102 from the requirements to disclose transactions with other members of the group headed by Citywire Holdings Limited on the basis that they are all wholly owned entities.

At 31 December 2020, Nick Collard, a director of the company, owed Citywire Holdings Limited £290,649 (2019 - £315,649). The balance outstanding at the year-end relates to a non-recourse loan on which no interest is paid.

At 31 December 2020, George Ball, a director of the company, owed Citywire Holdings Limited £30,000 (2019 - £62,500). The loan has an interest rate of 2%.

Key management personnel compensation for the financial year totalled £2,271,053 (2019 - £3,087,686).

28. Post balance sheet events

There are no post balance sheet events to report.

29. Controlling party

The directors have confirmed that there is no ultimate controlling party.