
FRIEZE PUBLISHING LIMITED

FINANCIAL STATEMENTS
INFORMATION FOR FILING WITH THE REGISTRAR
FOR THE YEAR ENDED 31 DECEMBER 2019



FRIEZE PUBLISHING LIMITED

COMPANY INFORMATION

Directors	M Shapiro A M Sharp M J Slotover
Company secretary	B Edge
Registered number	02609458
Registered office	1 Surrey Street London England WC2R 2ND
Independent auditors	Nexia Smith & Williamson Statutory Auditor & Chartered Accountants 25 Moorgate London EC2R 6AY

FRIEZE PUBLISHING LIMITED

CONTENTS

	Page
Directors' Responsibilities Statement	1
Balance Sheet	2
Notes to the Financial Statements	3 - 12

FRIEZE PUBLISHING LIMITED

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

The directors are responsible for preparing 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 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 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 for the Company's financial statements 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 Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

FRIEZE PUBLISHING LIMITED
REGISTERED NUMBER: 02609458

BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	5	97,171	75,832
Tangible assets	6	5,660	11,908
Investments in subsidiaries	7	-	-
		102,831	87,740
Current assets			
Debtors	8	1,412,181	1,958,227
Cash at bank and in hand		209,314	137,266
		1,621,495	2,095,493
Creditors: amounts falling due within one year	10	(1,826,739)	(1,539,032)
Net current (liabilities)/assets		(205,244)	556,461
Total assets less current liabilities		(102,413)	644,201
Net (liabilities)/assets		(102,413)	644,201
Capital and reserves			
Called up share capital	11	80	80
Capital redemption reserve	12	220	220
Profit and loss account	12	(102,713)	643,901
		(102,413)	644,201

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

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

Matthew Slotover
Matthew Slotover (Dec 18, 2020 18:45 GMT)

M J Slotover
Director
Date: 18 December 2020

The notes on pages 3 to 12 form part of these financial statements.

FRIEZE PUBLISHING LIMITED

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

1. General information

Frieze Publishing Limited (the 'Company') is a private company, limited by shares, domiciled and incorporated in England and Wales. The Company's principal activities were that of the provision of publishing and media services. The Company's registered office is 1 Surrey London, WC2R 2ND and its registered number is 02609458.

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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The figures in these financial statements have been presented in the Company's presentational and functional currency, sterling.

The following principal accounting policies have been applied:

2.2 Exemption from preparing consolidated financial statements

The Company, and the Group headed by it, qualify as small as set out in section 383 of the Companies Act 2006 and the parent and Group are considered eligible for the exemption to prepare consolidated accounts.

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

2. Accounting policies (continued)

2.3 Going concern

The financial statements have been prepared on a going concern basis. In making their going concern assessment, the directors have given consideration to current performance, market conditions, cashflow forecasts, the potential impact of the COVID-19 pandemic and the Company's ability to adapt its cost base in response to a range of potential scenarios depending on the impact and duration of COVID-19.

During 2019, the operating loss for the year increased to £742,756 (2018: £370,358 loss). As a result, the directors have taken steps to put the publishing business back on a path to profitability. These steps include ceasing activity within unprofitable areas of the business and focusing on the core magazine and digital revenue streams, whilst identifying several cost efficiencies for the core operating model. In addition, the directors are evaluating profitable new business opportunities which are set to launch in 2021.

Since the year-end, the publishing industry and the wider economy in which the Company operates has been affected by COVID-19. The duration and impact of COVID-19 is uncertain and it is widely accepted that the economic impact of this pandemic will be severe.

Therefore, the directors have implemented a variety of different measures to reduce the Company's cost base given the current macroeconomic environment, including making use of government support schemes such as the Coronavirus Job Retention Scheme ('CJRS').

Additionally, on 17 December 2020, the Company entered into a facility of £1m which was provided by its immediate parent company, Denmark Street Limited. This facility matures on 31 December 2023 and the Company can draw upon it at any time prior to this date, providing that the cumulative amount of drawdowns does not exceed the facility amount of £1m.

This facility is considered to provide the Company with the ability to meet its outstanding liabilities and obligations as they fall due, for a period of at least 12 months from the date of the authorisation of these financial statements and provide the Company with the adequate resources to allow it to continue in operational existence.

On this basis, the directors of the Company have concluded that there are no material uncertainties that may cast doubt on the Company's ability to continue as a going concern. Consequently, the directors have prepared these financial statements on a going concern basis.

2.4 Turnover

Advertising turnover is recognised at the point when the relevant publication goes on sale, and sponsorship turnover is recognised once the obligations of the Company have been fulfilled in accordance with the relevant contractual obligations.

Magazine subscription sales are recognised in the publication month, whilst any other magazine turnover is recognised at the point of sale.

Film production and media consultancy turnover is recognised as the work is completed and it is probable that economic benefits will flow to the Company.

FRIEZE PUBLISHING LIMITED

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

2. Accounting policies (continued)

2.5 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:

Assets under development	- not amortised until ready for use
Website development	- 3 to 4 years

2.6 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.

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:

Office equipment	- 3 to 4 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 Statement of Income and Retained Earnings.

FRIEZE PUBLISHING LIMITED

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

2. Accounting policies (continued)

2.7 Financial instruments

Financial assets and financial liabilities are recognised in the Balance Sheet when the Company becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the Company will not be able to collect all amounts due.

Bank and cash balances are classified as basic financial instruments and comprise cash in hand and at bank, short-term bank deposits with an original maturity of three months or less and bank overdrafts which are an integral part of the Company's cash management.

Financial liabilities and equity instruments issued by the Company are classified in accordance with the substance of the contractual arrangements entered into and the definitions of the financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

2.8 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.

Exchange gains and losses are recognised in the Statement of Income and Retained Earnings.

2.9 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 Statement of Income and Retained Earnings 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.

FRIEZE PUBLISHING LIMITED

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

2. Accounting policies (continued)

2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, 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 is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. Employees

The average monthly number of employees, including directors, during the year was 39 (2018 - 34).

4. Taxation

The taxation charge for the year was £3,858 (2018: £14,098 taxation credit) after group relief of £143,682 had been surrendered in the year (2018: £64,501).

There are no factors which are considered to have a material affect on future tax charges.

FRIEZE PUBLISHING LIMITED

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

5. Intangible assets

	Assets under development £	Website development £	Total £
Cost			
At 1 January 2019	-	150,217	150,217
Additions	20,679	54,358	75,037
At 31 December 2019	<u>20,679</u>	<u>204,575</u>	<u>225,254</u>
Amortisation			
At 1 January 2019	-	74,385	74,385
Charge for the year	-	53,698	53,698
At 31 December 2019	<u>-</u>	<u>128,083</u>	<u>128,083</u>
Net book value			
At 31 December 2019	<u>20,679</u>	<u>76,492</u>	<u>97,171</u>
At 31 December 2018	<u>-</u>	<u>75,832</u>	<u>75,832</u>

FRIEZE PUBLISHING LIMITED

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

6. Tangible fixed assets

	Office equipment £
Cost	
At 1 January 2019	117,988
At 31 December 2019	<u>117,988</u>
Depreciation	
At 1 January 2019	106,080
Charge for the year	6,248
At 31 December 2019	<u>112,328</u>
Net book value	
At 31 December 2019	<u>5,660</u>
At 31 December 2018	<u>11,908</u>

FRIEZE PUBLISHING LIMITED

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

7. Investments in subsidiaries

	Investments in subsidiaries £
Cost	
At 1 January 2019	22,523
At 31 December 2019	<u>22,523</u>
Impairment	
At 1 January 2019	22,523
At 31 December 2019	<u>22,523</u>
Net book value	
At 31 December 2019	<u> -</u>
At 31 December 2018	<u> -</u>

The Company holds an investment, with a net book value of £nil (2018: £nil), of 100% of the ordinary share capital of Frieze Publishing GmbH, a company incorporated in Germany. Its registered office is Zehdenicker Str. 28, 10119 Berlin, Germany and its principal activities are the provision of publishing and media services.

8. Debtors

	2019 £	2018 £
Trade debtors	956,651	1,225,444
Amounts owed by group undertakings	305,868	588,647
Other debtors	-	31,658
Prepayments and accrued income	143,945	106,761
Deferred taxation	5,717	5,717
	<u>1,412,181</u>	<u>1,958,227</u>

9. Current asset investments

FRIEZE PUBLISHING LIMITED

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

10. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	35,837	48,290
Amounts owed to group undertakings	1,066,969	698,276
Other taxation and social security	83,694	78,946
Other creditors	83,273	32,159
Accruals and deferred income	556,966	681,361
	<u>1,826,739</u>	<u>1,539,032</u>

£56,424 of accruals and deferred income as at 31 December 2018 have been reclassified to other taxation and social security to better reflect the nature of the balance. This reclassification has no impact on the net assets of the Company at the end of the comparative period.

11. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
80 (2018 - 80) Ordinary shares of £1.00 each	<u>80</u>	<u>80</u>

12. Reserves

Capital redemption reserve

The capital redemption reserve is the cumulative balance of funds paid by the Company to redeem the Company's own shares.

Profit and loss account

The profit and loss account relates to the cumulative profit or loss of the Company since incorporation, net of any cumulative adjustments recognised to date.

13. Pension commitments

The Company operates a defined contribution pension scheme. The pension costs incurred during the year were £49,918 (2018: £33,574). £8,323 (2018: £7,676) was payable at the balance sheet date.

14. Related party transactions

The Company has taken advantage of the exemption available in FRS 102 Section 33 from disclosing transactions with group companies, headed by the Company's immediate parent entity, on the basis that these companies are wholly owned within the group.

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

15. Post balance sheet events

COVID-19

The COVID-19 pandemic is affecting companies in a number of industries, including the publishing industry in which the Company operates, and is causing significant economic uncertainty worldwide. At the date of the approval of these financial statements, the directors believe it difficult to estimate the total impact that COVID-19 will have on the Company but the pandemic is expected to reduce operations, which could impact the Company's turnover. However, the directors have implemented a wide variety of measures to reduce expenditure and therefore mitigate the impact of the pandemic.

Due to the timing of the outbreak being after the balance sheet date, COVID-19 has been treated as a non-adjusting post balance sheet event. See note 2.3 for details of the impact of the COVID-19 pandemic on the going concern status of the Company.

Facility arrangement with Denmark Street Limited

On 17 December 2020, the Company entered into a facility of £1m which was provided by its immediate parent company, Denmark Street Limited. This facility matures on 31 December 2023 and the Company can draw upon it at any time prior to this date, providing that the cumulative amount of drawdowns does not exceed the facility amount of £1m. The facility bears interest at a rate of 3% per annum.

16. Parent company

The Company's immediate parent undertaking is Denmark Street Limited, a company incorporated in Jersey. The Company's ultimate parent is WME Entertainment Parent LLC, a company incorporated in Delaware, USA, which draws up accounts consolidating Frieze Publishing Limited.

WME Entertainment Parent LLC is the largest and smallest group of which the Company is a member and for which group financial statements are prepared. The address of their registered office is 2711 Centerville, Suite 400, Wilmington, DE 19808, USA.

17. Auditors' information

The auditor's report on the financial statements for the year ended 31 December 2019 was unqualified.

In their report, the auditors drew attention by way of emphasis of matter to the impact of COVID-19 on the going concern status of the Company and drew attention to notes 2.3 and 14 of the financial statements.

The audit report was signed on 18 December 2020 by Chetan Mistry (Senior Statutory Auditor) on behalf of Nexia Smith & Williamson.