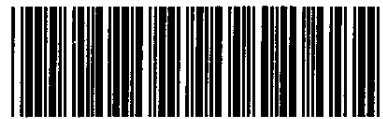


Company Registration No. 11272169 (England and Wales)

SWNS MEDIA GROUP LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2024

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SWNS MEDIA GROUP LIMITED

COMPANY INFORMATION

Directors	P M Walters M A Winter A W Young A K Jonesco C D White C L Pharo P J Potts
Secretary	M Robson
Company number	11272169
Registered office	Media Centre Unit A Abbey Wood Business Park Emma Chris Way Filton Bristol United Kingdom BS34 7JU
Auditor	RSM UK Audit LLP Chartered Accountants 2nd Floor 1 The Square Temple Quay Bristol BS1 6DG

SWNS MEDIA GROUP LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2024

The directors present the strategic report for the year ended 31 March 2024. The company is a holding company and the principal activity of its subsidiary undertakings is the transaction of business in the public relations (PR), market research and media sectors.

The business conducted is principally the provision of PR news generation and research services direct to corporate clients and to PR agencies (under the 72Point, 72PointPlay, OnePoll, Oath and PinPep brands), and the delivery of news and lifestyle content, and news related services, to publishers (under the SWNS brand).

The business is an established, and essential, partner to brands, agencies and publishers in the United Kingdom with an ambition to establish similar positions in additional geographies.

Review of the business

During the year, the directors conducted a full review of the group and its strategic objectives and, as a result, undertook a restructure to create two more autonomous - and standalone - operating businesses. 72Point, led by CEO Chris Pharo, and the media agency business SWNS, led by Managing Director Martin Winter.

The continued strong trading relationship between the group's news and PR businesses and the high quality of the content created by both continue to be key differentiators. The group continues to educate and inform both customers and the broader industry on its operating model and its compliance and increasingly receives positive feedback as a result.

The year was once again disrupted by political and economic conditions, and these caused headwinds in both markets that the group operates in. The traditionally busy third quarter of the financial year in PR, in particular, saw lower levels of trading than would normally be expected and this was widely experienced and reported across the sector.

The board decided to dispose of 72Point Inc to its minority shareholders in the period. The business had not performed as had been hoped. The group plans to re-enter the US in the future on a wholly-owned basis.

The board continues to monitor the wider political and economic environment, and the impact on team members, and our trading partners. The directors have considered these risks and taken steps and actions they consider appropriate to minimise the associated impact. These include, and are not limited to, regular governance committee risk reviews, contingency planning, regular executive reviews of the position, reviewing our cost base and both short, and long term, stress-tested forecasts covering anticipated volumes and liquidity.

The executive teams in both businesses continue to keep staff informed through twice yearly townhall meetings, and monthly management meetings. The hybrid working model continues to be adopted, with most staff now working 2-3 days per week in the office. This continues to be monitored alongside the introduction of other staff benefits to ensure employee wellbeing is always being enhanced.

Review of 72Point Ltd

On 5 April 2023, 72Point Ltd completed the acquisition of PinPep Media Limited to further enhance their product offering with high-quality visual assets. Despite the economic and market conditions, 72Point climbed one place in the PR Week Top 150 Consumer Agencies to 6th (2023 – 7th) and remained well inside the top 50 overall at 36th (2023 – 32nd). As part of the strategic review of the group, Chris Pharo has developed a new management team that will take the business forwards and is responsible for delivering the operational strategy.

Review of 72Point Inc

72Point Inc traded within the group for 11 months of the year prior to the disposal of the company, generating an EBITDA loss of £60k in the period.

Review of South West News Service Limited

SWNS continued to accelerate digitisation of content and continued to develop video content offerings. The business has also seen accelerated growth in audience on its wholly-owned, social media channels. SWNS continues to have strong, and unrivalled media relations, both in the UK and overseas. A significant investment was made in its SWNSrocks proprietary content management and distribution system. This new version of rocks focuses on user experience and has been well received by clients. As part of the strategic review of the group, Martin Winter has developed a new management team that will take the business forwards and is responsible for delivering the operational strategy.

SWNS MEDIA GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Results and performance

The results for the core subsidiaries are shown below.

Subsidiary	Brands	Area of business	2023/24 Turnover £'000	2022/23 Turnover £'000	2023/24 EBITDA £'000	2022/23 EBITDA £'000
South West News Service Limited	SWNS	Lifestyle content, news and services for publishers	5,227	5,296	(258)	22
72Point Ltd	72Point, OnePoll, Oath and PipPep	PR and research services for businesses and PR agencies	13,820	13,823	2,325	2,669
72Point Inc*	72Point, OnePoll and SWNS	PR and research services for businesses and PR agencies	4,480	5,809	(60)	9

*The group sold its interests in this subsidiary on 23 February 2024 and accordingly the figures shown above for 2023/24 reflect turnover and EBITDA in the 11-months to the date of disposal.

Key performance indicators

The Board monitors the progress of the group by reference to the following Key Performance Indicators (KPIs):

	Year to March 2024 £'000	Year to March 2023 £'000	Year to March 2022 £'000
Turnover	21,822	23,669	21,673
- Turnover (decrease)/increase	(8%)	9%	69%
- Organic turnover (decrease)/increase	(1,847)	1,996	3,412
- Turnover from acquisition of 72Point Inc	-	-	5,408
Earnings Before Interest, Tax, Depreciation, Amortisation, impairments and exceptional Items (EBITDA)	2,125	2,482	2,338
Adjusted EBITDA (as defined above) excluding share-based payments	2,384	2,673	2,515
Gross margin percentage	41.7%	39.7%	38.4%
	As at 31 March 2024 £'000	As at 31 March 2023 £'000	As at 31 March 2022 £'000
Net current assets	3,296	3,024	2,129
Change in net current assets	272	895	1,413
Net assets	4,096	3,905	2,986
Change in net assets	191	919	2,488
Cash at bank and in hand	3,227	5,691	4,338
Change in cash at bank and in hand	(2,464)	1,353	1,775

SWNS MEDIA GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Results and performance

The results of the group for the year, as set out in the statement of comprehensive income, show a profit on ordinary activities before taxation of £827k (2023: £1,876k). This figure includes all one-off non-recurring costs. The shareholders' funds of the group have strengthened to a total of £4,096k (2023: £3,905k).

The group incurred significant non-recurring costs in the year as a result of reorganisation activities and corporate finance transactions including the disposal of 72Point Inc and the acquisition of PinPep. These costs totalled £0.9m and are shown in note 4 to the accounts.

72Point Ltd had a further strong year generating good levels of EBITDA. SWNS continues with stable revenue, however, the impact of rising wage costs has resulted in reduced EBITDA.

The underlying EBITDA of the group, adjusting for non-recurring costs, was £2.4m (2023 - £2.7m). The shareholders are generally pleased with this performance given the aforementioned economic and market conditions.

The group has no external debt and has cash of £3.2m as at July 2024. The non-recurring costs, and trading conditions in the year, have decreased group cash balances, but this remains a strong position for the group.

Business environment

The news generation PR and Market Research sectors have been historically resilient to the significant economic and political challenges in the global environment, and have shown strong growth in recent years. The headwinds in the run up to the end of the 2023 calendar year were strong, and the sector experienced a period of shrinkage. This was experienced across marketing, advertising and PR markets.

The UK media industry is highly competitive in the news media sectors, where part of our business is focused. Long term trends in the sector have driven significant consolidation of traditional publishers. Traditional publishers have continued to seek economies in their businesses, and budgets for purchasing content continue to be squeezed.

The consumption of news and lifestyle content continues to be high, with strong growth in online consumption. The push to digitize our model continues and has accelerated. The group is well positioned with its digital and video offering.

The number of online news publishers continues to proliferate, with some significant technology companies, active in this sector. The market continues to demand video content. Our original publication ready creative content, and unique delivery systems, continue to give the group a strong position in the market.

Governance and risk

The process of risk assessment, and risk management, is addressed through a framework of policies, procedures and internal controls. All policies are subject to Board approval. The governance of the group is overseen by our established Governance and Remuneration Committees.

These are headed by non-executive director, Mr Andrew Jonesco, chair of the Governance and Remuneration Committees. He is supported by Mr Paul Potts CBE (the Group Chair), shareholder director Paul Walters, director Christopher White, and Matthew Robson, the Group General Counsel and Company Secretary.

Compliance with regulation, legal and ethical standards, is a high priority for the group. The Governance Committee identifies and reports to the Board on risk. The primary risk to the business relates to the consolidation of publishers in the news sector and diminishing budgets for the purchase of news content within publishers. The group's mitigation of this is based on diversification of turnover into new sectors and with new publishers.

The group does not consider itself significantly exposed to liquidity, or interest rate risk, due to having no borrowing and strong cash reserves. Exposure is limited due to the vast majority of sales, and purchases, being in the base currency of each entity.

Directors' remuneration

The process of setting executive, and director remuneration, is undertaken by a newly established Remuneration Committee, with material changes to remuneration packages going through a formal review process and sign off.

SWNS MEDIA GROUP LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

Future developments

The group, and its subsidiaries, are proud of what has been achieved in a tough marketplace, with conflicting economic and real world challenges.

A major objective was to develop the next generation of executive talent by devolving decision making, and empowering them, to navigate the challenges of a rapidly changing media landscape.

A vital part of the review has involved talking to our customers, listening to the market, and obtaining valuable insight into where they see the future, and our part in it. We thank them for their support and time.

A number of working groups are trialling AI tools that will assist us to improve productivity across the group.

SWNS plans expansion of its revenues capitalizing on strong positions in video content, broadcast, expansion in the USA, and developing revenues from its own, owned social channels.

This year SWNS celebrates 50 years of delivering compelling, and trusted, content to the industry. We have grown from humble beginnings in Bristol, to become a major, and respected player, on the national stage.

We are confident these changes will ensure the business remains a market leader for the next 50 years, as we seize the opportunities presented by technology and the digital world.

We would like to thank our entire team for all of their efforts in the last year in delivering this exceptional performance in a very challenging climate.

On behalf of the board

Paul M Walters

.....
P M Walters

Director

Date: 30/09/24.....

SWNS MEDIA GROUP LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2024

The directors present their annual report and financial statements for the year ended 31 March 2024.

Principal activities

The principal activity of the group is the provision of PR and media services. The principal activity of the company is that of a holding company and provider of group services.

Results and dividends

The results for the year are set out on page 10. Dividends paid during the year (see note 14) comprised a final dividend for the year ended 31 March 2023 of £548,250 and interim dividends for the year ended 31 March 2024 of £120,000. A final dividend for the year ended 31 March 2024 of £450,000 was paid after the year end on 8 July 2024.

Directors

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

P M Walters

M A Winter

A W Young

A K Jonesco

C D White

C L Pharo

P J Potts

C H M White-Smith

(Resigned 30 May 2024)

Qualifying third party indemnity provisions

The group has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Auditor

RSM UK Audit LLP has indicated its willingness to continue in office.

Matters included in the strategic report

As permitted by Companies Act 2006, s414C(11) the directors have chosen to set out in the group's strategic report information required by the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. They have done so in respect of risk management disclosures and future developments.

Statement of disclosure to auditor

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

On behalf of the board

Paul M Walters

.....
P M Walters

Director

Date: 30/09/24
.....

SWNS MEDIA GROUP LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2024

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

Company law requires the directors to prepare group and company financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SWNS MEDIA GROUP LIMITED

Opinion

We have audited the financial statements of SWNS Media Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2024 which comprise the consolidated statement of comprehensive income, the consolidated and company statements of financial position, the consolidated statement of changes in equity, the company statement of changes in equity, the 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2024 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the 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.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SWNS MEDIA GROUP LIMITED (CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the 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 set out on page 6, 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.

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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses, and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the group and parent company operates in and how the group is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SWNS MEDIA GROUP LIMITED (CONTINUED)

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and reviewing tax computations prepared by external specialists.

The group audit engagement team identified the risk of management override of controls and revenue recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business; testing the recognition of a sample of revenue items with reference to the relevant contractual and coverage documentation, testing deferral of revenue, undertaking data analytics in respect of some revenue streams and the testing of controls relevant to the sales process.

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

Use of our report

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

T R Morgan

Thomas Morgan (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
2nd Floor
1 The Square
Temple Quay
Bristol
BS1 6DG

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30/09/24

SWNS MEDIA GROUP LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 £	2023 £
Turnover	3	21,821,508	23,668,760
Cost of sales		(12,730,972)	(14,282,740)
Gross profit		9,090,536	9,386,020
Administrative expenses		(7,460,058)	(7,569,467)
Other operating income	5	47,934	55,944
Exceptional items	4	(889,094)	-
Operating profit	8	789,318	1,872,497
Interest receivable and similar income	11	37,760	7,074
Interest payable and similar expenses	12	-	(3,819)
Profit before taxation		827,078	1,875,752
Tax on profit	13	(381,416)	(496,662)
Profit for the financial year		445,662	1,379,090
Other comprehensive income net of taxation			
Currency translation differences		12,228	(21,406)
Total comprehensive income for the year		457,890	1,357,684
Profit for the financial year is attributable to:			
- Owners of the parent company		485,048	1,387,452
- Non-controlling interests		(39,386)	(8,362)
		445,662	1,379,090
Total comprehensive income for the year is attributable to:			
- Owners of the parent company		491,284	1,376,575
- Non-controlling interests		(33,394)	(18,891)
		457,890	1,357,684

SWNS MEDIA GROUP LIMITED**STATEMENTS OF FINANCIAL POSITION****AS AT 31 MARCH 2024**

	Notes	Group 2024 £	2023 £	Company 2024 £	2023 £
Fixed assets					
Goodwill	15	508,185	450,000	-	-
Other intangible assets	15	412,398	231,534	-	195,429
Total intangible assets		920,583	681,534	-	195,429
Tangible assets	16	193,946	239,948	8,938	25,554
Investments	17	-	-	2,348,497	2,798,597
		1,114,529	921,482	2,357,435	3,019,580
Current assets					
Debtors	21	5,444,655	4,747,451	1,102,441	237,405
Cash at bank and in hand		3,227,170	5,691,302	1,215,925	1,907,676
		8,671,825	10,438,753	2,318,366	2,145,081
Creditors: amounts falling due within one year	22	(5,375,499)	(7,415,163)	(437,510)	(2,006,074)
Net current assets		3,296,326	3,023,590	1,880,856	139,007
Total assets less current liabilities		4,410,855	3,945,072	4,238,291	3,158,587
Creditors: amounts falling due after more than one year	23	(241,200)	-	-	-
Provisions for liabilities	24	(73,199)	(39,578)	-	(5,136)
Net assets		4,096,456	3,905,494	4,238,291	3,153,451
Capital and reserves					
Called up share capital	27	149	149	149	149
Share premium account	28	935,533	935,533	935,533	935,533
Share-based payment reserve	28	936,722	677,744	936,722	677,744
Merger reserve	28	(593,625)	(593,625)	-	-
Profit and loss reserves	28	2,817,677	2,994,643	2,365,887	1,540,025
Equity attributable to owners of the parent company		4,096,456	4,014,444	4,238,291	3,153,451
Non-controlling interests		-	(108,950)	-	-
		4,096,456	3,905,494	4,238,291	3,153,451

SWNS MEDIA GROUP LIMITED

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT 31 MARCH 2024

As permitted by s408 Companies Act 2006, the company has not presented its own income statement and related notes as it prepares group accounts. The company's profit and total comprehensive income for the year was £1,494,112 (2023 - £1,305,314).

The financial statements were approved by the board of directors and authorised for issue on 30/09/24 and are signed on its behalf by:

Paul M Walters

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P M Walters
Director

SWNS MEDIA GROUP LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2024

	Notes	Share capital £	Share premium account £	Share-based payment reserve £	Merger reserve £	Profit and loss reserves £	Total controlling interest £	Non- controlling interest £	Total £
Balance at 1 April 2022		149	935,533	402,622	(593,625)	2,331,495	3,076,174	(90,059)	2,986,115
Year ended 31 March 2023:									
Profit for the year		-	-	-	-	1,387,452	1,387,452	(8,362)	1,379,090
Other comprehensive income net of taxation:									
Currency translation differences		-	-	-	-	(21,406)	(21,406)	-	(21,406)
Amounts attributable to non-controlling interests		-	-	-	-	10,529	10,529	(10,529)	-
Total comprehensive income for the year		-	-	-	-	1,376,575	1,376,575	(18,891)	1,357,684
Dividends	14	-	-	-	-	(628,946)	(628,946)	-	(628,946)
Share-based payments	10	-	-	190,641	-	-	190,641	-	190,641
Share-based payment reserve transfers	10	-	-	84,481	-	(84,481)	-	-	-
Balance at 31 March 2023		149	935,533	677,744	(593,625)	2,994,643	4,014,444	(108,950)	3,905,494
Year ended 31 March 2024:									
Profit for the year		-	-	-	-	485,048	485,048	(39,386)	445,662
Other comprehensive income net of taxation:									
Currency translation differences		-	-	-	-	12,228	12,228	-	12,228
Amounts attributable to non-controlling interests		-	-	-	-	(5,992)	(5,992)	5,992	-
Total comprehensive income for the year		-	-	-	-	491,284	491,284	(33,394)	457,890
Dividends	14	-	-	-	-	(668,250)	(668,250)	-	(668,250)
Share-based payments	10	-	-	258,978	-	-	258,978	-	258,978
Disposal of subsidiary		-	-	-	-	-	-	142,344	142,344
Balance at 31 March 2024		149	935,533	936,722	(593,625)	2,817,677	4,096,456	-	4,096,456

SWNS MEDIA GROUP LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2024

	Notes	Share capital £	Share premium account £	Share-based payment reserve £	Profit and loss reserves £	Total £
Balance at 1 April 2022		149	935,533	402,622	948,138	2,286,442
Year ended 31 March 2023:						
Profit and total comprehensive income for the year		-	-	-	1,305,314	1,305,314
Dividends	14	-	-	-	(628,946)	(628,946)
Share-based payments	10	-	-	190,641	-	190,641
Share-based payment reserve transfers	10	-	-	84,481	(84,481)	-
Balance at 31 March 2023		149	935,533	677,744	1,540,025	3,153,451
Year ended 31 March 2024:						
Profit and total comprehensive income for the year		-	-	-	1,494,112	1,494,112
Dividends	14	-	-	-	(668,250)	(668,250)
Share-based payments	10	-	-	258,978	-	258,978
Balance at 31 March 2024		149	935,533	936,722	2,365,887	4,238,291

SWNS MEDIA GROUP LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 £	£	2023 £	£
Cash flows from operating activities					
Cash generated from operations	29	1,009,329		3,287,151	
Interest paid		-		(3,819)	
Corporate taxes paid		(614,248)		(588,169)	
Net cash inflow from operating activities		395,081		2,695,163	
Investing activities					
Acquisition of subsidiary (net of cash acquired with that subsidiary)	19	(318,842)		-	
Cash disposed of with disposal of subsidiary	20	(1,285,179)		-	
Purchase of intangible assets		(283,875)		(174,119)	
Purchase of tangible fixed assets		(104,362)		(172,649)	
Proceeds on disposal of tangible fixed assets		725		292	
Other loans made	21	(237,190)		-	
Interest received		37,760		7,074	
Net cash used in investing activities		(2,190,963)		(339,402)	
Financing activities					
Repayment of bank loans		-		(373,386)	
Dividends paid to equity shareholders		(668,250)		(628,946)	
Net cash used in financing activities		(668,250)		(1,002,332)	
Net (decrease)/increase in cash and cash equivalents		(2,464,132)		1,353,429	
Cash and cash equivalents at beginning of year		5,691,302		4,337,873	
Cash and cash equivalents at end of year		3,227,170		5,691,302	

SWNS MEDIA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

Company information

SWNS Media Group Limited ("the company") is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Media Centre Unit A, Abbey Wood Business Park, Emma Chris Way, Filton, Bristol, United Kingdom, BS34 7JU.

The group consists of SWNS Media Group Limited and all of its subsidiaries. The company's and the group's principal activities and nature of its operations are disclosed in the Directors' Report.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

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

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

Reduced disclosures

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

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

Basis of consolidation

The consolidated financial statements incorporate those of SWNS Media Group Limited and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 March 2024. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. Any non-controlling interest in the acquiree is recognised at the non-controlling interest's share of the acquiree's net identifiable assets, liabilities and provisions for contingent liabilities recognised at the acquisition date.

A subsidiary is no longer consolidated when control is lost such as through a disposal. The difference between disposal proceeds and the carrying amount of the subsidiary's net assets (including related goodwill) is recognised in profit or loss as a gain or loss on disposal.

SWNS MEDIA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies (Continued)

Going concern

The group's Board continuously monitors the external environment for factors that may impact on the business and its trading partners as well as the individual trading of its subsidiaries. In recent years the Board has been monitoring the current conflicts across the globe and the impact these have had on the news agenda, as well as the high levels of inflation that we have experienced in the UK and the increases in interest rates to counter this.

The directors have considered these risks and taken steps and actions they consider appropriate to minimise the associated impact. These include, and are not limited to, contingency planning, regular executive reviews of the position, and both short and long term stress-tested forecasts covering anticipated workload and liquidity.

The group has no external debt and therefore the increase in interest rates has led to considerably higher returns on the cash balance held on deposit than has been seen in previous years. The current ratio has improved from 1.41 to 1.61 in the year.

The group continues to have healthy cash reserves of £3.2m at the end of year, and has an unused overdraft facility of £0.3m. The group's revenues and EBITDA continue to perform well despite the challenges that have been faced.

At the time of approving the financial statements, the directors therefore have a reasonable expectation that the group and company have adequate resources to continue in operational existence for a period of at least twelve months following the date of approval of these financial statements. Thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and rebates as applicable.

There are several different revenue streams within the group and these have different revenue recognition policies depending on the nature of goods or services being provided.

News business

The News business operates under four types of revenue stream:

- Subscription revenue – fixed price subscriptions are recognised in accordance with the underlying contract on a monthly basis.
- Self-billing revenue – where self-billing arrangements exist, the directors identify usage in the period by customer and make an accrual for all income earned from used content but not invoiced at the reporting date.
- Ad-hoc revenue – revenue is recognised on sale of the news content or service.
- Revenue Share – where the company has revenue share agreements in place with third party content publishers, revenue is recognised when sales reports are provided by the third party company.

PR business

The PR businesses operate under four types of revenue stream:

- Standard PR packages – revenue on standard packages is recognised in three equal instalments based on the output method as each of the three phases of work on a project are completed.
- Research Only – revenue from standalone research projects is recognised in full on completion of the research work.
- Retainers – revenue from retainers is recognised monthly in line with the underlying contract.
- Bespoke projects – revenue and profit margin on bespoke projects is recognised only to the extent of the expenses recognised that it is probable will be recovered.

SWNS MEDIA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies (Continued)

Intangible fixed assets - goodwill

Goodwill representing the excess of the purchase price compared with the fair value of net assets acquired is capitalised and written off evenly over 5 - 10 years as in the opinion of the directors this represents the period over which the goodwill is effective. Goodwill is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

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

Website & software development	20% - 33% straight line
Intangible assets under construction	Not amortised (until completed and brought into use)

Tangible fixed assets

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

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

Computer equipment	25% - 33% straight line
Fixtures and fittings	33% straight line
Motor vehicles	25% straight line

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

Fixed asset investments

In the separate accounts of the company, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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

Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

SWNS MEDIA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies (Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects *current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.*

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised when the group becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method (being the transaction price less any amounts settled and any impairment losses) unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

A provision for impairment of basic financial instruments is established when there is objective evidence that the amounts due will not be recoverable according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the instrument over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised are recognised immediately in profit or loss.

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

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans and amounts owed to group undertakings, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. Equity instruments issued by the group are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

SWNS MEDIA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies (Continued)

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable. Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received. Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

SWNS MEDIA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies (Continued)

Share-based payments

The company grants share options ("equity-settled share-based payments") to certain employees. Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black-Scholes model. The Black-Scholes model is considered to apply the most appropriate valuation method due to the relatively short contractual lives of the options and the requirement to exercise within a short period after the employee becomes entitled to the shares. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

Where the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions (the "original fair value") and under the modified terms and conditions (the "modified fair value") are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

Leases

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

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

Assets and liabilities of overseas subsidiaries (including goodwill and fair value adjustments in relation to overseas subsidiaries) are translated into the group's presentation currency at the rate ruling at the reporting date. Income and expenses of overseas subsidiaries are translated at the average rate for the year as the directors consider this to be a reasonable approximation to the rate on the transaction date. Translation differences are recognised in other comprehensive income and accumulated in equity.

SWNS MEDIA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

2 Judgements and key sources of estimation uncertainty

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

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

In the opinion of the directors, the judgements, estimates and assumptions which are considered to have a material impact on the amounts presented in these financial statements are:

Revenue recognition

Revenue recognition is subject to the directors' reviews and estimation processes described under the turnover accounting policy set out in note 1. Prepayments and accrued income (see note 21) includes accrued income of £nil (2023 - £61,204). Accruals and deferred income (see note 22) includes deferred income of £2,445,443 (2023 - £3,921,839).

Goodwill carrying value and amortisation

Goodwill is being amortised on the basis disclosed in note 1. The amortisation rate reflects management's best estimate of the period over which this goodwill is expected to give rise to economic benefits. The goodwill is subject to periodic impairment reviews taking into account the performance of the acquired entity and expected future market conditions. The carrying value of goodwill is disclosed in note 15.

Carrying value of investments in subsidiaries

In the company's individual financial statements, investments in subsidiaries are carried at cost less any accumulated impairment losses. The carrying values of these investments are disclosed in note 17. The directors monitor the performance of the underlying subsidiaries for any indications of impairment, taking into account their performance, financial position and outlook, and make judgements on whether the carrying values need to be adjusted.

3 Turnover and other revenue

	2024 £	2023 £
Turnover analysed by class of business		
Provision of media services	21,821,508	23,668,760
	<u>21,821,508</u>	<u>23,668,760</u>
	2024 £	2023 £
Turnover analysed by geographical market		
United Kingdom	15,678,838	16,249,590
Rest of Europe	910,020	1,139,029
Rest of World	5,232,650	6,280,141
	<u>21,821,508</u>	<u>23,668,760</u>

SWNS MEDIA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

4 Exceptional items

	2024 £	2023 £
Reorganisation costs	449,250	-
Dilapidations expense	57,000	-
Non-recurring professional fees	309,325	-
Loss on disposal of subsidiary	73,519	-
	<u>889,094</u>	<u>-</u>

5 Other operating income

	2024 £	2023 £
Rent receivable	26,000	33,000
Other income	21,934	22,944
	<u>47,934</u>	<u>55,944</u>

6 Employees

The average monthly number of persons (including directors) employed during the year was:

	Group 2024 Number	2023 Number	Company 2024 Number	2023 Number
Operations	174	189	1	1
Administrative	41	45	23	26
Total	<u>215</u>	<u>234</u>	<u>24</u>	<u>27</u>

Their aggregate remuneration comprised:

	Group 2024 £	2023 £	Company 2024 £	2023 £
Wages and salaries	11,881,348	12,176,997	1,639,183	1,582,280
Social security costs	1,419,575	1,596,889	159,555	174,316
Pension costs	322,833	301,501	58,557	58,668
	<u>13,623,756</u>	<u>14,075,387</u>	<u>1,857,295</u>	<u>1,815,264</u>

SWNS MEDIA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

7 Directors' remuneration

	2024 £	2023 £
Remuneration for qualifying services	1,351,783	1,400,894
Company pension contributions to defined contribution schemes	55,600	63,170
	<u>1,407,383</u>	<u>1,464,064</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 6 (2023 - 6).

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2024 £	2023 £
Remuneration for qualifying services	312,684	323,980
Company pension contributions to defined contribution schemes	7,500	7,500
	<u>320,184</u>	<u>331,480</u>

8 Operating profit

	2024 £	2023 £
Operating profit for the year is stated after charging/(crediting):		
Exchange differences	16,005	(35,927)
Depreciation of owned tangible fixed assets	142,684	147,593
Loss/(profit) on disposal of tangible fixed assets	29,881	(292)
Amortisation of intangible assets	303,591	133,527
Impairment of goodwill	-	328,723
Share-based payments	258,978	190,641
Operating lease charges	413,123	478,883
	<u>1,164,262</u>	<u>1,203,144</u>

In the statement of comprehensive income, the amortisation of intangible assets and charges relating to the impairment of goodwill are included within administrative expenses.

9 Auditor's remuneration

	2024 £	2023 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	63,000	55,500
Audit of the financial statements of the company's subsidiaries	4,500	-
	<u>67,500</u>	<u>55,500</u>

SWNS MEDIA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

10 Share options

SWNS Media Group Limited has granted share options under the Enterprise Management Incentive (EMI) scheme to its employees.

Under the Company EMI plan, share options are granted at the market price agreed with HMRC of the Company's shares at the grant date for the purposes of granting EMI options. The employee is entitled to exercise the share options in accordance with the EMI plan. If options remain unexercised after a period of 10 years from the date of grant, the options expire. Furthermore, options lapse if the employee leaves the Company before they become entitled to exercise the share options.

	2024 Number of options	2024 Market value exercise price £	2023 Number of options	2023 Market value exercise price £
Outstanding options at start of year	3,333	109.33	2,761	97.05
Granted during the year	-		572	168.63
Forfeited during the year	-		-	
Exercised during the year	-		-	
Expired during the year	-		-	
Outstanding options at end of year	<u>3,333</u>	<u>109.33</u>	<u>3,333</u>	<u>109.33</u>

A market value of £86.64 per Ordinary share was agreed with HMRC on 19 July 2018 for the purposes of granting initial options. A market value of £111.61 per Ordinary share was agreed with HMRC on 12 March 2021 for the purpose of granting further options on 12 May 2021. An actual market value of £168.63 was agreed with HMRC on 31 August 2022 for the purpose of granting further options on 13 December 2022. The terms and conditions attaching to these options are the same as those granted previously. The weighted average fair value of options granted is determined using the Black-Scholes option pricing model.

11 Interest receivable and similar income

	2024 £	2023 £
Interest income		
Interest on bank deposits	<u>37,760</u>	<u>7,074</u>

12 Interest payable and similar expenses

	2024 £	2023 £
Interest on bank overdrafts and loans	<u>-</u>	<u>3,819</u>

SWNS MEDIA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

13 Taxation

	2024 £	2023 £
Current tax		
UK corporation tax on profits for the current period	408,627	504,640
Adjustments in respect of prior periods	(3,790)	-
Total UK current tax	404,837	504,640
Foreign current tax on profits for the current period	7,958	3,433
Total current tax	412,795	508,073
Deferred tax		
Origination and reversal of timing differences	(31,418)	(11,411)
Adjustment in respect of prior periods	39	-
Total deferred tax	(31,379)	(11,411)
Total tax charge	381,416	496,662

The total tax charge for the year included in the income statement can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

	2024 £	2023 £
Profit before taxation	827,078	1,875,752
Expected tax charge based on the standard rate of corporation tax in the UK of 25.00% (2023: 19.00%)	206,770	356,393
Tax effect of expenses that are not deductible in determining taxable profit	13,970	89,830
Recognition of previously unrecognised deferred tax asset	(7,214)	-
Adjustments in respect of prior years	(3,790)	-
Fixed asset differences	40,146	(7,562)
Amortisation on assets not qualifying for tax allowances	22,307	18,495
Share based payment charge	64,745	36,222
Effect of overseas tax rates	26,063	6,023
Deferred tax adjustments in respect of prior years	39	-
Remeasurement of deferred tax for changes in tax rates	-	(2,739)
Loss on disposal of subsidiary - not deductible	18,380	-
Taxation charge	381,416	496,662

Factors affecting current and tax charges

The main rate of corporation tax in the UK increased from 19% to 25% with effect from 1 April 2023.

SWNS MEDIA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

14 Dividends

	2024 £	2023 £
Recognised as distributions to equity holders:		
Paid in the year	668,250	628,946

Dividends paid in the current year comprise a final dividend for the year ended 31 March 2023 of £548,250 and interim dividends for the year ended 31 March 2024 of £120,000.

In the comparative period, dividends paid comprised a final dividend for the year ended 31 March 2022 of £508,946 and interim dividends for the year ended 31 March 2023 of £120,000.

15 Intangible fixed assets

Group	Goodwill £	Website & software development £	Intangible assets under construction £	Total £
Cost				
At 1 April 2023	973,405	418,681	120,118	1,512,204
Additions	635,231	52,612	231,263	919,106
Disposals	(973,405)	(23,792)	-	(997,197)
Exchange adjustments	-	(195)	-	(195)
Intercategory transfers	-	351,381	(351,381)	-
At 31 March 2024	635,231	798,687	-	1,433,918
Amortisation and impairment				
At 1 April 2023	523,405	307,265	-	830,670
Amortisation charged for the year	216,275	87,316	-	303,591
Disposals	(612,634)	(8,166)	-	(620,800)
Exchange adjustments	-	(126)	-	(126)
At 31 March 2024	127,046	386,289	-	513,335
Carrying amount				
At 31 March 2024	508,185	412,398	-	920,583
At 31 March 2023	450,000	111,416	120,118	681,534

SWNS MEDIA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

15 Intangible fixed assets (Continued)

Company	Website & software development £	Intangible assets under construction £	Total £
Cost			
At 1 April 2023	81,001	120,118	201,119
Additions	-	231,263	231,263
Transfers to other group companies	(432,382)	-	(432,382)
Intercategory transfers	351,381	(351,381)	-
At 31 March 2024	-	-	-
Amortisation and impairment			
At 1 April 2023	5,690	-	5,690
Amortisation charged for the year	30,839	-	30,839
Transfers to other group companies	(36,529)	-	(36,529)
At 31 March 2024	-	-	-
Carrying amount			
At 31 March 2024	-	-	-
At 31 March 2023	75,311	120,118	195,429

SWNS MEDIA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

16 Tangible fixed assets

Group	Computer equipment £	Fixtures and fittings £	Motor vehicles £	Total £
Cost				
At 1 April 2023	441,184	326,763	4,755	772,702
Additions	82,073	22,289	-	104,362
Acquired with subsidiary	-	16,152	-	16,152
Disposals	(74,132)	(143,127)	-	(217,259)
Exchange adjustments	(1,769)	-	-	(1,769)
At 31 March 2024	447,356	222,077	4,755	674,188
Depreciation and impairment				
At 1 April 2023	281,314	246,685	4,755	532,754
Depreciation charged in the year	98,434	44,250	-	142,684
Eliminated in respect of disposals	(66,493)	(127,257)	-	(193,750)
Exchange adjustments	(1,446)	-	-	(1,446)
At 31 March 2024	311,809	163,678	4,755	480,242
Carrying amount				
At 31 March 2024	135,547	58,399	-	193,946
At 31 March 2023	159,870	80,078	-	239,948
Company	Computer equipment £	Fixtures and fittings £	Total £	
Cost				
At 1 April 2023	34,538	5,398	39,936	
Additions	43,313	2,642	45,955	
Disposals	(960)	-	(960)	
Transfers to other group companies	(60,468)	(5,398)	(65,866)	
At 31 March 2024	16,423	2,642	19,065	
Depreciation and impairment				
At 1 April 2023	12,096	2,286	14,382	
Depreciation charged in the year	12,032	3,030	15,062	
Eliminated in respect of disposals	(960)	-	(960)	
Transfers to other group companies	(15,022)	(3,335)	(18,357)	
At 31 March 2024	8,146	1,981	10,127	
Carrying amount				
At 31 March 2024	8,277	661	8,938	
At 31 March 2023	22,442	3,112	25,554	

SWNS MEDIA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

17 Fixed asset investments

	Notes	Group 2024 £	2023 £	Company 2024 £	2023 £
Investments in subsidiaries	18	-	-	2,348,497	2,798,597
Movements in fixed asset investments					
Company					Shares in group undertakings £
Cost or valuation					
At 1 April 2023					3,258,149
Disposals					(909,652)
At 31 March 2024					2,348,497
Impairment					
At 1 April 2023					459,552
Disposals					(459,552)
At 31 March 2024					-
Carrying amount					
At 31 March 2024					2,348,497
At 31 March 2023					2,798,597

Disposals comprise £450,000 (net) in relation to the company's interests in its former subsidiary 72Point Inc which was sold in February 2024 and £100 in relation to its former subsidiary Talker Media Limited which was transferred to South West News Service Limited on 1 November 2023 and subsequently dissolved.

SWNS MEDIA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

18 Subsidiaries

Details of the company's subsidiaries at 31 March 2024 are set out below.

Name of undertaking	Nature of business	Class of shares held	% Held	
			Direct	Indirect
South West News Service Limited	News, pictures and features agency	Ordinary	100.00	-
72Point Ltd	Public relations and market research	Ordinary	100.00	-
Play PR Limited	Dormant	Ordinary	100.00	-
Onepoll Limited	Dormant	Ordinary	100.00	-
72Point Group Ltd.	Dormant	Ordinary	100.00	-
Talker Media Limited	Dormant	Ordinary	100.00	-
Pinpep Media Limited	Dormant	Ordinary	-	100.00

72Point Ltd was formerly known as 72 Point Limited but changed its name on 17 September 2024.

A former 51% subsidiary 72Point Inc, was disposed of on 23 February 2024. Its principal activity was public relations and market research. Its registered office was 231 Front Street, 125 Brooklyn, NY 11201, USA.

In addition to the subsidiaries shown above, since the year end the group has incorporated three new subsidiaries in Florida, USA: SWNS Inc, 72Point Inc (a new company taking the same name as the group's former subsidiary which, following its disposal, is changing its name) and OnePoll Inc.

72Point Group Ltd was formerly known as Every Media Group Limited but changed its name to 72Point Group Ltd on 25 July 2024. Talker Media Limited was dissolved after the year end on 11 June 2024.

South West News Service Limited and Pinpep Media Limited have taken exemption from audit by virtue of S479A of the Companies Act 2006. The guarantee given by the company is disclosed in note 33. The dormant subsidiaries other than Pinpep Media Limited are audit exempt by virtue of S480 of the Companies Act 2006.

The registered office of all these companies is Media Centre Unit A, Abbey Wood Business Park, Emma Chris Way, Filton, Bristol, United Kingdom, BS34 7JU except 72Point Ltd and 72Point Group Ltd which have their registered office at 21 Farringdon Road, London, England, EC1M 3HA.

SWNS MEDIA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

19 Acquisition

On 5 April 2023 the group acquired the entire issued share capital of Pinpep Media Limited for consideration of £742,483, satisfied by cash and deferred consideration. The acquisition method of accounting has been used. Immediately following acquisition, the trade of Pinpep Media Limited was hived up into the group's existing subsidiary 72Point Ltd, from where the trade continues. Pinpep Media Limited is now dormant and there are no plans to reactivate it in the foreseeable future.

	Book Value	Adjustments	Fair Value
	£	£	£
Net assets acquired			
Tangible fixed assets	16,152	-	16,152
Trade and other debtors	72,664	-	72,664
Cash and cash equivalents	141,158	-	141,158
Trade and other creditors	(122,722)	-	(122,722)
	<u>107,252</u>	<u>-</u>	<u>107,252</u>
Total identifiable net assets	107,252	-	107,252
Goodwill			635,231
Total consideration			<u>742,483</u>
The consideration was satisfied by:			£
Cash			460,000
Deferred consideration			282,483
			<u>742,483</u>
Contribution by the acquired business for the reporting period included in the group statement of comprehensive income since acquisition:			£
Turnover			676,340
Profit after tax			<u>103,207</u>

The goodwill arising on the acquisition of the company is attributable to the anticipated profitability of continued growth in the company's markets and future operating synergies arising from the combination.

SWNS MEDIA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

20 Disposals

On 23 February 2024 the group disposed of its 51% holding in 72Point Inc for consideration of £139,099. Additional consideration becomes payable in the event the company is sold by its new owners within three years of this disposal. No amounts in relation to this additional contingent consideration have been accrued in these financial statements.

	£	£
Total consideration		139,099
Net assets disposed of:		
Cash and cash equivalents	1,285,179	
Intangible fixed assets	1,315	
Tangible fixed assets	7,214	
Trade and other debtors	792,854	
Trade and other creditors	(2,607,059)	
Deferred tax asset	230,000	
Net liabilities of subsidiary on date of disposal		290,497
Non-controlling interest (49%) on date of disposal		(142,344)
Goodwill disposed of (note 15)		(360,771)
Loss on disposal		(73,519)
The consideration was satisfied by:		£
Deferred consideration		139,099

21 Debtors

	Group 2024	2023	Company 2024	2023
Amounts falling due within one year:	£	£	£	£
Trade debtors	4,537,500	3,706,611	-	-
Amounts owed by group undertakings	-	-	484,328	19,252
Other debtors	533,154	58,609	526,130	23,561
Prepayments and accrued income	374,001	752,231	85,325	194,592
	5,444,655	4,517,451	1,095,783	237,405
Deferred tax asset (note 25)	-	230,000	6,658	-
	5,444,655	4,747,451	1,102,441	237,405

Other debtors include a loan of £237,190 (US\$300,000) (2023 - £nil) made to the group's former subsidiary 72Point Inc on 23 February 2024. The loan bears interest at 5% annually and is repayable in annual instalments, on the anniversary of the loan. Each instalment is calculated as the higher of US\$75,000 and 25% of the EBITDA of 72Point Inc for the twelve complete calendar months prior to that repayment date.

SWNS MEDIA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

22 Creditors: amounts falling due within one year

	Group 2024 £	2023 £	Company 2024 £	2023 £
Trade creditors	526,930	695,299	94,501	135,079
Amounts owed to group undertakings	-	-	112,279	1,492,379
Corporation tax payable	32,772	234,225	-	-
Other taxation and social security	965,772	927,421	41,328	128,657
Other creditors	124,899	136,448	9,323	66,758
Accruals and deferred income	3,725,126	5,421,770	180,079	183,201
	<u>5,375,499</u>	<u>7,415,163</u>	<u>437,510</u>	<u>2,006,074</u>

23 Creditors: amounts falling due after more than one year

	Group 2024 £	2023 £	Company 2024 £	2023 £
Other creditors	<u>241,200</u>	<u>-</u>	<u>-</u>	<u>-</u>

Other creditors reflect deferred consideration relating to the acquisition of subsidiaries.

24 Provisions for liabilities

	Notes	Group 2024 £	2023 £	Company 2024 £	2023 £
Dilapidations provision		65,000	-	-	-
Deferred tax liabilities	25	<u>8,199</u>	<u>39,578</u>	<u>-</u>	<u>5,136</u>
		<u>73,199</u>	<u>39,578</u>	<u>-</u>	<u>5,136</u>

Movements on provisions apart from deferred tax liabilities:

Group	Dilapidations provision £
At 1 April 2023	-
Additional provisions in the year	<u>65,000</u>
At 31 March 2024	<u>65,000</u>

A dilapidations provision has been recognised in respect of future expected dilapidations expenditure, payable on expiry of an office lease in September 2025. The amount provided represents management's initial estimate of future cash outflows should the lease not be renewed.

SWNS MEDIA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

25 Deferred taxation

The major deferred tax liabilities and assets recognised by the group and company are:

	Liabilities 2024	Liabilities 2023	Assets 2024	Assets 2023
Group	£	£	£	£
Fixed asset timing differences	(27,189)	(50,704)	-	-
Losses and other deductions	-	39	-	-
Losses relating to foreign subsidiary	-	-	-	230,000
Short term timing differences	18,990	11,087	-	-
	<u>(8,199)</u>	<u>(39,578)</u>	<u>-</u>	<u>230,000</u>
	Liabilities 2024	Liabilities 2023	Assets 2024	Assets 2023
Company	£	£	£	£
Fixed asset timing differences	-	(6,389)	(2,235)	-
Short term timing differences	-	1,253	8,893	-
	<u>-</u>	<u>(5,136)</u>	<u>6,658</u>	<u>-</u>
			Group 2024	Company 2024
			£	£
Movements in the year:				
Net asset/(liability) at 1 April 2023			190,422	(5,136)
Credit to profit or loss			31,379	11,794
Transfer on disposal			(230,000)	-
Net (liability)/asset at 31 March 2024			<u>(8,199)</u>	<u>6,658</u>

It is not possible to provide a meaningful estimate of the extent to which the deferred tax assets and liabilities set out above will reverse within the next twelve months as their reversal depends on several factors which cannot be reliably estimated.

SWNS MEDIA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

26 Retirement benefit schemes

	2024 £	2023 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	322,833	301,501

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund. At the year end, pension contributions of £44,329 (2023 - £44,096) were included in other creditors (note 22).

27 Share capital

	Group and Company			
	2024 Number	2023 Number	2024 £	2023 £
Ordinary share capital				
Issued and fully paid				
Ordinary shares of 1p each	14,890	14,890	149	149

The company has one class of ordinary shares, each of which carries the right to one vote at meetings of the company. The shares carry no right to fixed income.

28 Reserves

Share premium

The share premium account reflects consideration received for shares issued above their nominal value net of transaction costs.

Share-based payment reserve

The share-based payment reserve reflects the cumulative share-based payment expense.

Merger reserve

The merger reserve arose on the group reorganisation on 3 April 2018 and reflects the difference between the assets transferred and the nominal value of the shares issued by SWNS Media Group Limited.

Profit and loss reserves

Profit and loss reserves reflect the cumulative earnings of the group net of distributions to owners.

SWNS MEDIA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

29 Cash generated from group operations

	2024 £	2023 £
Profit for the year after tax	445,662	1,379,090
Adjustments for:		
Taxation charged	381,416	496,662
Finance costs	-	3,819
Investment income	(37,760)	(7,074)
Loss/(gain) on disposal of tangible fixed assets	29,881	(292)
Loss on disposal of subsidiary	73,519	-
Amortisation and impairment of intangible assets	303,591	462,250
Depreciation and impairment of tangible fixed assets	142,684	147,593
Equity settled share based payment expense	258,978	190,641
Increase in provisions	65,000	-
Movements in working capital:		
Increase in debtors	(1,271,105)	(134,026)
Increase in creditors	617,463	748,488
Cash generated from operations	<u>1,009,329</u>	<u>3,287,151</u>

30 Analysis of changes in net funds - group

	1 April 2023 £	Cash flows £	Acquisitions and disposals £	31 March 2024 £
Cash at bank and in hand	<u>5,691,302</u>	<u>(860,111)</u>	<u>(1,604,021)</u>	<u>3,227,170</u>

31 Operating lease commitments

Lessee

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

	Group 2024 £	2023 £	Company 2024 £	2023 £
Within one year	240,616	280,183	-	-
Between one and five years	139,409	508,026	-	-
In over five years	9,000	27,000	-	-
	<u>389,025</u>	<u>815,209</u>	<u>-</u>	<u>-</u>

SWNS MEDIA GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

32 Capital commitments

Amounts contracted for but not provided in the financial statements:

	Group 2024 £	2023 £	Company 2024 £	2023 £
Acquisition of intangible assets	-	155,818	-	155,818

33 Related party transactions

The group has taken advantage of the exemption under Section 33 of FRS102 and has not disclosed details of transactions or balances between wholly-owned group companies.

Remuneration of key management personnel

The key management personnel of the group are the statutory directors of the company and details of their remuneration are disclosed in note 7.

Transactions with directors

The directors A W Young, M A Winter and P M Walters received dividends of £272,102 (2023 - £256,098), £117,359 (2023 - £110,456) and £272,102 (2023 - £256,098) respectively from the group.

Also during the year, the directors A W Young, M A Winter and P M Walters maintained loan accounts with the group. At the year end, these directors in aggregate owed the group £99,998 which is included in other debtors (2023 - the group owed these directors in aggregate £61,750 which was included in other creditors). No interest was charged on these balances, and there are no fixed repayment terms.

Transactions with other related parties

During the year, the group paid certain directors and shareholders of a subsidiary £178,892 (2023 - £256,656) for services rendered to the group. No amounts were outstanding at the beginning or end of the year.

Also during the year, in connection with the disposal of the group's former subsidiary 72Point Inc (note 20), the group lent 72Point Inc £237,190 (US\$300,000) (2023 - £nil) and certain directors and shareholders in aggregate £85,705 (US\$108,400) (2023 - £nil). Each of these amounts is included in other debtors (note 21).

Also during the year, a group company had transactions totalling £205 (2023 - £2,170) with Council of Photographic News Agencies Limited, a company of which one of the group's directors is a director.

Guarantee in relation to audit exemption

In connection with exemption from audit under section 479A of the Companies Act 2006, SWNS Media Group Limited has guaranteed the liabilities of its subsidiaries South West News Service Limited and Pinpep Media Limited at the reporting date.

34 Controlling party

In the opinion of the directors there is no ultimate controlling party.