

De Agostini UK Limited

Report and Financial Statements

31 December 2014

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23/09/2015

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COMPANIES HOUSE

Directors

P Boroli
A Belloni
V Murray

Secretary

Southampton Row Secretaries Limited

Auditor

Ernst & Young LLP
1 More London Place
London SE1 2AF

Registered Office

Battersea Studios 2
82 Silverthorne Road
London SW8 3HE

Registered No. 00966900

Strategic report

The directors present their strategic report for the year ended 31 December 2014.

Review of the business

The principal activity of the company continues to be that of multi-media publishing with sales in the UK, Republic of Ireland, Australia, New Zealand, South Africa, Malta and Asia. The company's key financial and other performance indicators during the year were as follows:

	2014 £000	2013 £000	Change %
Turnover	25,053	28,080	(10.8)
Operating (loss)/profit	(212)	3,134	(106.8)
Loss/profit for the financial year	(468)	2,857	(116.4)
Shareholders' funds	4,282	4,749	(9.9)

The 2014 results were in line with expectations as the company started to invest in new products and markets. The directors expect the general level of activity to increase in the coming year with further investment into new products and routes to market.

Principal risks and uncertainties

Partwork publishing carries a significant upfront investment in research and the testing of new products. There is always a risk that new titles will not be as successful as expected.

A proportion of the business is carried out in foreign currency with the risk of currency fluctuations. Forward contracts are in place to reduce this risk.

As part of the multinational De Agostini Group, the company has tight controls on liquidity, maximising interest income and ensuring there are sufficient liquid resources to meet the operating needs of the business and has support from the Group and therefore reduced risk in the current uncertain economic environment.

On behalf of the Board



V Murray
Director

22nd September 2015

Registered No. 00966900

Directors' report

The directors present their report for the year ended 31 December 2014.

Directors

The directors who served the company during the year were as follows:

P Boroli
A Belloni
V Murray

Dividends

The directors do not recommend a final dividend (2013 – £nil).

Future developments

The directors expect the general level of activity to increase in the coming year with investment into new products and routes to market during 2015. This will ensure a greater flow of new publications, which are the mainstay of the business. The company will continue to evolve the marketing of their products and plan to build their profitable brands. The directors forecast a investment year in 2015, involving a good pipeline of international products and have agreed a strong 3 year strategic plan with the group for 2015-2017.

Going concern

The company's business activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives, details of its financial instruments and hedging activities, and its exposures to price, credit, liquidity and cash flow risk are described here in the Directors report.

The company and the wider De Agostini group have considerable financial resources and long term contracts with suppliers across different geographical areas and industries. As a consequence, the directors believe that the company is well placed to manage its business risks successfully.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the annual report and financial statements.

Disclosure of information to the 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, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that they are obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

A resolution to reappoint Ernst & Young LLP as auditor will be put to the members at the Annual General Meeting.

On behalf of the Board



V Murray
Director

22nd September 2015

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 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.

Independent auditor's report

to the members of De Agostini UK Limited

We have audited the financial statements of De Agostini UK Limited for the year ended 31 December 2014 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

Independent auditor's report (continued)

to the members of De Agostini UK Limited

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Ernst & Young

Gordon Cullen (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

23/9/15

Profit and loss account

for the year ended 31 December 2014

	Notes	2014 £	2013 £
Turnover	2	25,052,587	28,079,681
Cost of sales		(9,571,684)	(10,532,792)
Gross profit		15,480,903	17,546,889
Distribution costs		(12,641,520)	(10,471,110)
Administrative expenses		(3,221,446)	(4,270,384)
Other operating income		170,417	328,511
Operating (loss)/profit	3	(211,646)	3,133,906
Interest receivable and similar income	6	292,055	99,741
Interest payable and similar charges	7	(425,897)	(201,308)
Loss/ profit on ordinary activities before taxation		(345,488)	3,032,339
Tax on (loss)/profit on ordinary activities	8	(122,014)	(175,712)
Loss/profit for the financial year	15	(467,502)	2,856,627

All amounts relate to continuing activities.

Statement of total recognised gains and losses

for the year ended 31 December 2014

There are no recognised gains or losses other than the loss attributable to the shareholders of the company of £467,502 in the year ended 31 December 2014 (2013 – profit of £2,856,627).

Balance sheet

at 31 December 2014

	Notes	2014 £	2013 £
Fixed assets			
Tangible assets	9	404,765	160,372
Investments	10	<u>5,047</u>	<u>5,047</u>
		<u>409,812</u>	<u>165,419</u>
Current assets			
Stocks	11	6,445,721	5,080,043
Debtors	12	10,950,062	10,052,640
Cash at bank and in hand		<u>1,755,128</u>	<u>2,687,738</u>
		<u>19,150,911</u>	<u>17,820,421</u>
Creditors: amounts falling due within one year	13	<u>(15,278,842)</u>	<u>(13,236,457)</u>
Net current assets		<u>3,872,069</u>	<u>4,583,964</u>
Net assets		<u>4,281,881</u>	<u>4,749,383</u>
Capital and reserves			
Called up share capital	14	28,780,000	28,780,000
Profit and loss account	15	<u>(24,498,119)</u>	<u>(24,030,617)</u>
Shareholders' funds	15	<u>4,281,881</u>	<u>4,749,383</u>



V Murray

Director

22 September 2015

Notes to the financial statements

at 31 December 2014

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

Going concern

The financial statements have been prepared on a going concern basis. The company made a loss in 2014 as a result of a greater investment into new products and markets, this will continue in 2015. The company has net assets and net current assets. The directors believe that the company has adequate facilities in place for planned investments and launches for the rest of 2015 and into 2016. They review forecasts and launch plans for the foreseeable future on a regular basis. The company also has access to an allocation of a line of credit made available to the company's intermediate parent undertaking, De Agostini Editore SpA, which is being used to fund the investment in growing the business during 2015, with gradual repayment forecast during 2016 and 2017. The company has also received written confirmation of ongoing support from its intermediate parent undertaking, De Agostini Publishing SpA in relation to the recoverability of intercompany loans to the group's US subsidiary undertaking and the directors are satisfied that De Agostini Publishing SpA has adequate resources to be able to provide any additional support required.

After completing a review of forecasts for 2015 and 2016 and making enquires, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the annual report and financial statements.

Group financial statements

The company has taken advantage of the exemption from preparing group financial statements afforded by section 400 of the Companies Act 2006 because it is a wholly owned subsidiary of De Agostini SpA, incorporated in the EU, in which its results are grouped and whose financial statements are publicly available (note 21). These financial statements therefore reflect the company as an individual entity and not the group as a whole.

Statement of cash flows

The directors have taken advantage of the exemption in FRS 1 (revised) from including a statement of cash flows in the financial statements on the grounds that the company is wholly owned and its parent publishes group financial statements that include the company.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value based on prices prevailing at the date of acquisition or revaluation, of each asset evenly over its expected useful life, as follows:

Fixtures and fittings	–	4 years
Software	–	3 years

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Investments

Fixed asset investments are shown at cost less any provision for impairment.

The carrying values of fixed asset investments are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Notes to the financial statements

at 31 December 2014

1. Accounting policies (continued)

Stocks

Stocks are stated at the lower of cost and net realisable value. Work in progress represents recoverable editorial and production costs on future partwork issues.

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exceptions:

- Provision is made for deferred taxation that would arise on remittance of the retained earnings of subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable.
- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or at the contracted rate if the transaction is covered by a forward foreign currency contract.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date or if appropriate at the forward foreign currency rate.

All differences are taken to the profit and loss account.

Operating leases

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Pensions

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Deferred advertising

Advertising costs incurred in promotion of partworks are deferred until the launch of the related partwork, at which point they are expensed in full. A provision is made to reflect any uncertainty surrounding the recoverability of such expenditure.

Test costs

Media test costs are expensed as incurred.

Notes to the financial statements

at 31 December 2014

1. Accounting policies (continued)

Forward foreign currency contracts

The company uses forward foreign currency contracts to reduce exposure to foreign exchange rates. The criteria for forward foreign currency contracts are:

- The instrument must be related to a firm foreign currency commitment,
- It must involve the same currency as the hedged item, and
- It must reduce the risk of foreign currency exchange movements on the company's operations.

The forward contracts do not meet hedging criteria and gains or losses on contracts are recognised at maturity.

2. Turnover

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties and is attributable to one continuing activity, as stated in the directors' report.

An analysis of turnover by geographical market is given below:

	2014 £	2013 £
United Kingdom	16,916,176	16,311,690
Rest of Europe	1,721,114	2,485,769
Australia and New Zealand	4,102,806	6,673,420
Asia	394,113	1,204,712
North America	21,690	21,254
South Africa	1,894,628	1,349,662
Rest of World	2,060	33,174
	<u>25,052,587</u>	<u>28,079,681</u>

3. Operating profit/(loss)

This is stated after charging/(crediting):

	2014 £	2013 £
Auditor's remuneration – audit services	39,234	38,099
– tax compliance services	8,620	16,771
– tax advisory services	17,580	25,000
	<u>65,434</u>	<u>79,870</u>
Depreciation of owned fixed assets	98,558	27,975
Operating lease rentals – land and buildings	187,563	186,254
Foreign exchange gain/(loss)	<u>470,698</u>	<u>(516,595)</u>

Notes to the financial statements

at 31 December 2014

4. Directors' remuneration

	2014 £	2013 £
Remuneration	<u>114,805</u>	<u>152,988</u>
Company contributions paid to defined contribution pension schemes	<u>-</u>	<u>-</u>
	<i>No.</i>	<i>No.</i>
Members of defined contribution pension schemes	<u>-</u>	<u>-</u>

All of the directors are directors for other companies in the group. The remuneration disclosed above is in respect of qualifying services to the UK company, based on management fees recharged. The remaining directors are remunerated by other group companies and are not considered to have qualifying services in respect of the UK company.

5. Staff costs

	2014 £	2013 £
Wages and salaries	1,612,436	1,619,355
Social security costs	161,439	155,560
Other pension costs	87,153	77,668
	<u>1,861,028</u>	<u>1,852,583</u>

The average monthly number of employees during the year was made up as follows:

	<i>No.</i>	<i>No.</i>
Production	4	4
Marketing and distribution	10	5
Editorial	5	5
Administration	6	11
	<u>25</u>	<u>25</u>

6. Interest receivable and similar income

	2014 £	2013 £
Bank interest receivable	8,697	8,070
Interest receivable from group undertakings	283,358	91,671
	<u>292,055</u>	<u>99,741</u>

Notes to the financial statements

at 31 December 2014

7. Interest payable and similar charges

	2014	2013
	£	£
Bank interest payable	239,818	121,073
Interest payable on group loans	186,079	80,235
	<u>425,897</u>	<u>201,308</u>

8. Tax

(a) Tax on (loss)/profit on ordinary activities

The tax charge is made up as follows:

	2014	2013
	£	£
Current tax:		
UK corporation tax on the (loss)/profit for the year	–	–
Foreign tax	122,014	175,712
Total current tax (note 8(b))	<u>122,014</u>	<u>175,712</u>

(b) Factors affecting the current tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 21.5% (2013 – 23.25%). The differences are explained below:

	2014	2013
	£	£
(Loss)/profit on ordinary activities before tax	<u>(345,488)</u>	<u>3,032,339</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.5% (2013 – 23.25%)	(74,280)	705,019
Effects of:		
Disallowed expenditure	1,107	1,115
Capital allowances in advance of depreciation	(52,544)	2,977
Other timing differences	1,075	1,162
Higher tax rates on overseas earnings	95,781	134,859
Tax losses (utilised)/carried forward	150,875	(669,420)
Current tax for the year (note 8(a))	<u>122,014</u>	<u>175,712</u>

Notes to the financial statements

at 31 December 2014

8. Tax (continued)

(c) Deferred tax

The deferred taxation asset not recognised in the financial statements is as follows:

	2014	2013
	£	£
Depreciation in advance of capital allowances	595,051	643,929
Short term timing differences	2,000	1,000
Tax losses available	2,791,868	2,823,625
	<u>3,388,919</u>	<u>3,468,554</u>

The company has available tax losses of £13,959,341 (2013 – £14,118,123). Based on expected results and current uncertain market conditions, the directors consider there is insufficient certainty to enable the company to recognise a deferred tax asset.

(d) Factors that may affect future tax charges

The Finance Act 2013 included legislation to reduce the main rate of corporation tax from 21% to 20% from 1 April 2015. This was substantively enacted on 2 July 2013.

9. Tangible fixed assets

	<i>Fixtures and fittings</i>	<i>Computers</i>	<i>Software</i>	<i>Total</i>
	£	£	£	£
Cost:				
At 1 January 2014	139,877	-	150,149	290,026
Additions	-	12,144	330,807	342,951
At 31 December 2014	<u>139,877</u>	<u>12,144</u>	<u>480,956</u>	<u>632,977</u>
Depreciation:				
At 1 January 2014	48,771	-	80,883	129,654
Provided during the year	27,975	4,048	66,535	98,553
At 31 December 2014	<u>76,746</u>	<u>4,048</u>	<u>147,418</u>	<u>228,212</u>
Net book value:				
At 31 December 2014	<u>63,131</u>	<u>8,096</u>	<u>333,538</u>	<u>404,765</u>
At 1 January 2014	<u>91,106</u>	<u>-</u>	<u>69,266</u>	<u>160,372</u>

Notes to the financial statements

at 31 December 2014

10. Investments

	<i>Subsidiary undertakings</i>	<i>Other investments</i>	<i>Total</i>
	£	£	£
Cost:			
At 1 January 2014 and 31 December 2014	10,735,859	5,047	10,740,906
Amounts provided:			
At 1 January 2014 and 31 December 2014	10,735,859	–	10,735,859
Net book value:			
At 1 January 2014 and 31 December 2014	–	5,047	5,047

<i>Name of company</i>	<i>Description of shares held</i>	<i>Country of incorporation or registration</i>	<i>Proportion of nominal value of ordinary shares held</i>	<i>Nature of business</i>
De Agostini Deutschland GmbH	Ordinary	Germany	100%	Publishing
De Agostini LLC (Russia)	Ordinary	Russia	1%	Publishing
De Agostini Ukraine	Ordinary	Ukraine	1%	Publishing

11. Stocks

	<i>2014</i>	<i>2013</i>
	£	£
Work in progress	6,445,721	5,080,043

There is no material difference between the balance sheet value of stocks and their replacement cost.

12. Debtors

	<i>2014</i>	<i>2013</i>
	£	£
Trade debtors	3,816,505	3,725,940
Amounts owed by group undertakings	4,838,000	3,707,000
Other debtors	111,572	98,171
VAT	973,556	939,168
Prepayments and accrued income	1,210,429	1,582,361
	<u>10,950,062</u>	<u>10,052,640</u>

Amounts owed by group undertakings are trading balances in the normal course of business, this figure includes an intercompany loan of £4,427,000 given to a group company. This is a rolling loan repayable on demand and is guaranteed by the parent company, in case of default.

Notes to the financial statements

at 31 December 2014

13. Creditors: amounts falling due within one year

	2014	2013
	£	£
Bank loans	3,000,000	3,000,000
Trade creditors	5,243,645	5,440,939
Amounts due to group undertakings	1,711,000	1,601,000
Loans from group undertakings	4,673,000	2,501,000
Corporation tax	48,294	48,294
Other taxation and social security costs	148,529	133,977
Other creditors	49,484	86,280
Accruals and deferred income	404,890	424,967
	<u>15,278,842</u>	<u>13,236,457</u>

Amounts due to group undertakings are non interest bearing trading balances in the normal course of business.

Loans from group undertakings are on an annual rolling basis. The loans bear interest linked to 3 months' LIBOR rate plus 2.75%.

Loans from the bank are on a rolling basis of no longer than 180 days and are unsecured. The loans bear interest linked to current banking rates of approximately 4.0%.

14. Issued share capital

		2014		2013
<i>Allotted, called up and fully paid</i>	<i>No.</i>	£	<i>No.</i>	£
Ordinary shares of £1 each	18,060,000	18,060,000	18,060,000	18,060,000
Ordinary 'B' shares of €1 each	10,720,000	10,720,000	10,720,000	10,720,000
		<u>28,780,000</u>		<u>28,780,000</u>

15. Reconciliation of shareholders' funds and movements on reserves

	<i>Share capital</i>	<i>Profit and loss account</i>	<i>Total share-holders' funds</i>
	£	£	£
At 1 January 2013	28,780,000	(26,887,244)	1,892,756
Profit for the year	–	2,856,627	2,856,627
At 1 January 2014	28,780,000	(24,030,617)	4,749,383
Loss for the year	–	(467,502)	(467,502)
At 31 December 2014	<u>28,780,000</u>	<u>(24,498,119)</u>	<u>4,281,881</u>

16. Forward contracts

The company purchases forward foreign currency contracts to hedge currency exposure on budgeted future commitments. The company had no open forward contracts at the balance sheet date (2013 – £nil).

Notes to the financial statements

at 31 December 2014

17. Pensions

The pension cost charge for the year under the defined contribution scheme was £87,153 (2013 – £77,668). Contributions due at 31 December 2014 were £19,757 (2013 – £nil).

18. Other financial commitments

At 31 December 2014 the company had annual commitments under non-cancellable operating leases as set out below:

	<i>Land and buildings</i>	
	<i>2014</i>	<i>2013</i>
	<i>£</i>	<i>£</i>
Operating leases which expire:		
In two and five years	<u>137,950</u>	<u>137,950</u>

The company moved offices in April 2012 and has a 2 year left on the lease on the new property which expires in February 2017.

19. Contingent liabilities

The company is registered for VAT purposes in a group of companies which share a common registration number. As a result, it has jointly guaranteed the VAT liability of the group, and non-payment by other members of the group would give rise to additional liability for this company. The directors are of the opinion that no liability is likely to arise from the failure of other companies. At the year end, the company had guarantees amounting to £2,000 (2013 – £2,000) to HM Revenue and Customs for VAT deferment.

The company has provided a letter of support to its subsidiary undertaking, De Agostini Deutschland GmbH, confining that it will provide funds up to a maximum of €6.0 million to enable De Agostini Deutschland GmbH to meet its liabilities as and when they fall due for a period of two years from 31 December 2014. The company has in turn received a letter of comfort from its immediate parent undertaking, De Agostini Partworks Holding BV, in which it agrees to assume liability for all of the company's debts up to a limit of €6.0 million arising from the letter of support and further confirming that De Agostini Partworks Holding BV has sufficient funds available to support the company for the amount and period covered by the two letters.

20. Related party transactions

As a subsidiary of De Agostini SpA, the company has taken advantage of the exemption in FRS 8 "Related Party Transactions" not to disclose transactions with other members of the group headed by De Agostini SpA.

Notes to the financial statements

at 31 December 2014

21. Ultimate parent undertaking and controlling party

The company's immediate parent undertaking is De Agostini Partworks Holding BV, incorporated in the Netherlands. De Agostini SpA, incorporated in Italy, is the parent undertaking of the largest and smallest group of which the company is a member and for which group financial statements are drawn up. Copies of these financial statements are filed and publicly available via <http://www.deagostinigroup.com>. Copies can also be obtained from Battersea Studios 2, 82 Silverthorne Road London SW8 3HE.

B & D Holding di Marci Drago e C S a p a, incorporated in Italy, is the ultimate parent undertaking and controlling party.