Registered number: 07633974

VANCOUVER TOPCO LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

VANCOUVER TOPCO LIMITED

COMPANY INFORMATION

Directors	Thomas Bureau Kevin Langford Stephen Alexander (resigned 11 January 2017) Oliver Bower (resigned 11 January 2017) Christopher Graham (resigned 11 January 2017) Bernard Gray (resigned 11 January 2017) James Lenane (resigned 11 January 2017) Peter Phippen (resigned 11 January 2017) Hans-Eckart Bollman (appointed 11 January 2017, resigned 10 November 2017) Martin Weiss (appointed 11 January 2017)
Registered number	07633974
Registered office	Vineyard House 44 Brook Green Hammersmith London W6 7BT

VANCOUVER TOPCO LIMITED

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VANCOUVER TOPCO LIMITED

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017

Introduction

The Directors present the Strategic Report of the Vancouver Topco Group for the year ended 31 December 2017.

Principal activities

The principal activity of the Group is the development and exploitation of the Group's cross media brands. The principal activity of the Company is as a holding company for the Group's activities.

Business review

The Directors are pleased to report that the Group continues to trade strongly.

The Group operates an award winning special interest content and platform business which creates compelling content that enhances the way people engage with what they love.

The Group was acquired by Burda Gesellschaft mit beschränkter Haftung (Hubert Burda Media) on the 11th January 2017, and the Directors decided to change the period end for the Group from March to December so as to align its year end with that of its new parent. The previous financial statements therefore covered the nine month period to 31 December 2016.

Financial key performance indicators

The main KPIs of the business relate to turnover, EBITDA and EBITDA margin.

	12 months to 31 December 2017	*9 months to 31 December 2016*
	£m	*£m*
Turnover	201.5	*143.7*
EBITDA	38.7	*26.6*
EBITDA margin	19.2%	*18.5%*

EBITDA is equal to operating profit before restructuring, amortisation and depreciation plus the Group's share of joint ventures and associates EBITDA of £0 5 million. Turnover and EBITDA were higher in the twelve months to 31 December 2017 than in the nine months to 31 December 2016 due to the longer accounting period. The underlying business also continued to grow.

Compared to the twelve months to 31 December 2016, turnover grew 4.7% from £192.4 million to £201.5 million. EBITDA margin also improved. Growth was driven by continued revenue growth from our strong print portfolio, the growth of our non-print businesses and the launch of a new craft TV channel Sewing Quarter by the subsidiary Immediate Media TV Limited.

The business generated £24.4 million cashflow from operating activities in the year to 31 December 2017 *(nine month period to 31 December 2016· £24.2 million).*

The Group incurred or provided for one-off costs during the year. These related principally to the transfer of the subscription file to a new subscriptions bureau as a consequence of the closure of the subscriptions fulfilment Joint Venture (Dovetail) and to redundancy costs.

The consolidated income statement includes goodwill amortisation which mainly reflects charging to the income statement of the outlay in relation to the original acquisition of the business and of subsequent acquisitions in accordance with accounting principles and has no implications for future cash flows.

The Group also monitors digital visitors and engagement, print and digital circulation and readership numbers

On the 11th January 2017, at the time of the acquisition of the group by Hubert Burda Media, 11.2 million new shares were issued to Hubert Burda Media to repay certain long term creditors.

The Group continues to trade profitably and to execute its strategies of providing its customers with high quality content across a wide range of platforms, both print and digital

Principal risks and uncertainties

The activities of the business are largely within the United Kingdom, and the business is therefore exposed to the overall performance of the UK economy. Whilst a significant majority of the costs of the Group arise in the UK and are denominated in sterling, certain items are imported and will be impacted by currency fluctuations that may arise as a consequence of Brexit Management has implemented strategies to mitigate such fluctuations to the extent possible.

A large proportion of the revenues of the business are earned from the distribution of physical magazines and over the long term it is expected that consumers will migrate from physical to digital media in a number of sectors in which the Group operates The Group has a strategy to roll out digital products and to exploit its brands in the digital environment but there can be no certainty of the success of this strategy.

The high loyalty of customers to the key brands of the business, the relatively high dependence on subscriptions and low dependence on advertising as income streams, and the up-market nature of the business' customer base together provide some mitigation of these risks.

Liquidity risk

The Group has strong operating cash flows, and the Directors consider that there are no significant working capital risks that are likely to require additional funding.

Price and credit risk

The Directors do not believe there is any significant credit risk with any trading partners that are material to the Group.

Financial instruments

Prior to 11 January 2017 the Group was funded via external bank loans and debt provided to its subsidiary undertaking, Immediate Media Company Limited, and shareholder debt provided to its subsidiary undertaking, Vancouver Midco 1 Limited. At 31 December 2016 the total bank facilities available to the Group were £121.1 million.

At 31 December 2016 the balance outstanding on the Senior Term and Multicurrency Revolving Debt Facility was £116.1 million. On 15 March 2017 the Group successfully refinanced its debt facilities in place at the balance sheet date, rolling them into a new facility with a more favourable interest rate. Costs were incurred in renegotiating this deal, which have been capitalised and will be written off over the term of the loan At 31 December 2017 the total bank facility available to the Group is £97 million.

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

Kevin Langford
Director

Date 27 April 2018

VANCOUVER TOPCO LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017

The Directors present the Directors' report and the financial statements for the year ended 31 December 2017.

Research and development

It is a strategic priority of the business to understand its customer base and to develop high quality print and digital products for this customer base. The business therefore invests in improving its knowledge of its customer base and its product development function and activity. Total research and development expenditure incurred in the year was £5.6 million *(nine month period ended 31 December 2016: £4 million)*, which includes £4.9 million *(nine month period ended 31 December 2016: £3.1 million)* of capital expenditure.

Dividends

The loss for the year, after taxation and minority interests, amounted to £0.8 million *(nine month period ended 31 December 2016 - loss £8.5 million)*.

The Directors do not recommend the payment of a dividend *(nine month period ended 31 December 2016: £nil)*.

Directors

The Directors who served during the year were

Thomas Bureau
Kevin Langford
Stephen Alexander (resigned 11 January 2017)
Oliver Bower (resigned 11 January 2017)
Christopher Graham (resigned 11 January 2017)
Bernard Gray (resigned 11 January 2017)
James Lenane (resigned 11 January 2017)
Peter Phippen (resigned 11 January 2017)
Hans-Eckart Bollman (appointed 11 January 2017, resigned 10 November 2017)
Martin Weiss (appointed 11 January 2017)

Directors' and Officers' insurance cover was in place throughout the financial year as appropriate.

Political and charitable contributions

The Company did not make any political or charitable donations or incur any political expenditure during the year *(nine month period ended 31 December 2016: £nil)*. One of the Company's subsidiaries made charitable donations of £26,287 *(nine month period ended 31 December 2016: £19,621)*.

Going concern

On 15 March 2017 the debt facilities in place at that date were refinanced and rolled over into a new facility. The total bank facility available to the Group at the balance sheet date is £97 million, and the facility expires in March 2022.

The financial covenants of this facility include cash flow cover and leverage. Compliance with covenants was first required to be tested in September 2017. The Group has prepared trading forecasts for the 12 month period ending 31 May 2019; these indicate that there is sufficient headroom against all covenants for a period of not less than 12 months from the date of approval of these financial statements.

After reviewing the Group's forecasts and projections, it is the Directors' view that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its financial statements.

Employee involvement

Employees attend quarterly update meetings where information is shared with regard to Group performance and organisational priorities. Feedback is encouraged during the quarterly update and on an ad-hoc basis. Further information is provided via team meetings and the Group Intranet.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

Disclosure of information to auditors

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

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

Post balance sheet events

There have been no significant events affecting the Group since the year end.

Auditors

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be re-appointed and KPMG LLP will therefore continue in office.

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

Kevin Langford
Director

Date. 27 April 2018

Vineyard House
44 Brook Green
Hammersmith
London
W6 7BT

VANCOUVER TOPCO LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017

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

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

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the Directors are required to

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VANCOUVER TOPCO LIMITED

Opinion

We have audited the financial statements of Vancouver Topco Limited ("the Company") for the year ended 31 December 2017 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and related notes, including the accounting policies in notes 1 and 2.

In our opinion the financial statements:

- give a true and fair view of the state of the Group and the Company's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Strategic Report and Directors' Report

The Directors are responsible for the Strategic Report and the Directors' Report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.
Our responsibility is to read the Strategic Report and the Directors' Report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work.

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

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VANCOUVER TOPCO LIMITED

Directors' responsibilities

As explained more fully in their statement set out on page 5, the Directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

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

This report is made solely to the Group's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Group'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 Group and the Group's members, as a body, for our audit work, for this report, or for the opinions we have formed.

John Bennett (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London E14 5GL

Date: 27 April 2018

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	Year to December 2017 £000	*9 month period to December 2016 £000*
Turnover		201,546	*143,666*
Cost of sales		(62,287)	*(45,538)*
Gross profit		139,259	*98,128*
Distribution costs		(22,613)	*(15,392)*
Administrative expenses excluding restructuring, amortisation, depreciation and impairment		(78,437)	*(56,592)*
Operating profit before restructuring, amortisation and depreciation	4	38,209	*26,144*
Restructuring costs	4	(3,117)	*(6,012)*
Amortisation of goodwill, other intangibles, depreciation and impairment	11,12	(26,854)	*(18,654)*
Total operating profit		8,238	*1,478*
Share of profit/(loss) of joint ventures and associates		912	*(2,536)*
Profit/(loss) on ordinary activities before interest		9,150	*(1,058)*
Other interest receivable and similar income	8	126	*120*
Interest payable and similar expenses	9	(7,067)	*(6,953)*
Profit/(loss) before taxation		2,209	*(7,891)*
Tax on profit/(loss)	10	(3,018)	*(660)*
(Loss) for the financial period		(809)	*(8,551)*
(Loss) for the year attributable to:			
Non-controlling interests		(22)	*3*
Owners of the parent Company		(787)	*(8,554)*
		(809)	*(8,551)*

There were no recognised gains and losses for 2017 or 2016 other than those included in the consolidated statement of comprehensive income.

The notes on pages 15 to 43 form part of these financial statements.

VANCOUVER TOPCO LIMITED
REGISTERED NUMBER: 07633974

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

	Note	2017 £000	*2016 £000*
Fixed assets			
Intangible assets	11	91,011	*111,127*
Tangible assets	12	4,394	*4,435*
Investments	13	-	*42*
		95,405	*115,604*
Current assets			
Stocks	14	8,301	*7,785*
Debtors	15	25,984	*23,954*
Cash at bank and in hand	16	9,312	*15,670*
		43,597	*47,409*
Creditors. amounts falling due within one year	17	(54,525)	*(64,899)*
Net current liabilities		(10,928)	*(17,490)*
Total assets less current liabilities		84,477	*98,114*
Creditors: amounts falling due after more than one year	18	(91,514)	*(118,619)*
Provisions for liabilities			
Deferred taxation	20	(1,885)	*(1,975)*
Other provisions	21	(376)	*(2,626)*
		(2,261)	*(4,601)*
Net liabilities		(9,298)	*(25,106)*
Capital and reserves			
Called up share capital	22	98	*97*
Share premium account		17,485	*869*
Profit and loss account		(26,849)	*(26,062)*
Equity attributable to owners of the parent Company		(9,266)	*(25,096)*
Non-controlling interests		(32)	*(10)*
		(9,298)	*(25,106)*

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

Kevin Langford
Director
Date. 27 April 2018
The notes on pages 15 to 43 form part of these financial statements.

VANCOUVER TOPCO LIMITED
REGISTERED NUMBER: 07633974

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Note	2017 £000	*2016 £000*
Fixed assets			
Investments	13	1,149	*753*
		1,149	*753*
Current assets			
Debtors	15	161	*1,550*
Cash at bank and in hand	16	-	*1*
		161	*1,551*
Creditors: amounts falling due within one year	17	(2)	*(136)*
Net current assets		159	*1,415*
Total assets less current liabilities		1,308	*2,168*
Creditors: amounts falling due after more than one year	18	-	*(1,067)*
Net assets		1,308	*1,101*
Capital and reserves			
Called up share capital	22	98	*97*
Share premium account		17,485	*869*
Profit and loss account carried forward		(16,275)	*135*
		1,308	*1,101*

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

Kevin Langford
Director

Date.27 April 2018
The notes on pages 15 to 43 form part of these financial statements.

VANCOUVER TOPCO LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD TO 31 DECEMBER 2017

	Called up share capital	Share premium account	Profit and loss account	Equity attributable to owners of parent Company	Non-controlling interests	Total equity
	£000	£000	£000	£000	£000	£000
At 1 April 2016	97	869	(17,508)	(16,542)	(13)	(16,555)
Comprehensive income for the period						
Loss for the period	-	-	(8,554)	(8,554)	-	(8,554)
NCI share of profit	-	-	-	-	3	3
Total comprehensive income for the period	-	-	(8,554)	(8,554)	3	(8,551)
At 1 January 2017	97	869	(26,062)	(25,096)	(10)	(25,106)
Comprehensive income for the year						
Loss for the year	-	-	(787)	(787)	-	(787)
NCI share of loss	-	-	-	-	(22)	(22)
Total comprehensive income for the year	-	-	(787)	(787)	(22)	(809)
Shares issued during the year	1	16,616	-	16,617	-	16,617
Total transactions with owners	1	16,616	-	16,617	-	16,617
At 31 December 2017	98	17,485	(26,849)	(9,266)	(32)	(9,298)

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD TO 31 DECEMBER 2017

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 April 2016	97	869	96	1,062
Comprehensive income for the period				
Profit for the period	-	-	39	39
Total comprehensive income for the period	-	-	39	39
Total transactions with owners	-	-	-	-
At 1 January 2017	97	869	135	1,101
Comprehensive income for the period				
Loss for the year	-	-	(16,410)	(16,410)
Total comprehensive income for the year	-	-	(16,410)	(16,410)
Shares issued during the year	1	16,616	-	16,617
Total transactions with owners	1	16,616	-	16,617
At 31 December 2017	98	17,485	(16,275)	1,308

VANCOUVER TOPCO LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017

	Year to December 2017 £000	*9 month period to December 2016 £000*
Cash flows from operating activities		
(Loss) for the financial year	(787)	*(8,554)*
Adjustments for:		
Amortisation of intangible assets	23,764	*17,543*
Depreciation of tangible assets	1,715	*1,111*
Impairments of fixed assets	1,375	*74*
Interest payable	7,067	*6,953*
Interest receivable	(126)	*(120)*
R&D expenditure credit	(793)	*(356)*
Taxation charge	3,018	*660*
Net share of associate and joint venture (profit)/loss	(912)	*2,536*
Movement in minority interest	22	*(3)*
(Increase) in stocks	(516)	*(2,473)*
(Increase)/decrease in debtors	(2,030)	*355*
(Decrease)/increase in creditors	(3,991)	*7,854*
(Decrease) in provisions	(2,250)	*(42)*
Corporation tax (paid)	(1,134)	*(1,378)*
Net cash generated from operating activities	24,422	*24,160*
Cash flows from investing activities		
Purchase of intangible fixed assets	(5,023)	*(3,138)*
Purchase of tangible fixed assets	(1,674)	*(1,119)*
Dividends received	345	-
Net cash from investing activities	(6,352)	*(4,257)*

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 £000	*2016 £000*
Cash flows from financing activities		
Issue of ordinary shares	16,618	-
New bank loans	111,000	-
Repayment of loans	(130,094)	*(5,671)*
Interest paid	(4,215)	*(5,003)*
Refinancing fees	(1,119)	*(387)*
Repayment of shareholder debt	(16,618)	-
Net cash used in financing activities	(24,428)	*(11,061)*
Net (decrease)/increase in cash and cash equivalents	(6,358)	*8,842*
Cash and cash equivalents at beginning of year	15,670	*6,828*
Cash and cash equivalents at the end of year	9,312	*15,670*
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	9,312	*15,670*
	9,312	*15,670*

The notes on pages 15 to 43 form part of these financial statements.

1. General information

Vancouver Topco Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The parent company is included in the consolidated financial statements, and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

• The reconciliation of the number of shares outstanding from the beginning to the end of the period has not been included a second time;
• *No separate parent company cash flow statement with related notes is included;*
• Key management personnel compensation has not been included a second time.
• Certain disclosures required by FRS 102.26 Share Based Payments; and,
• The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

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

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

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

Under Section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

2. Accounting policies (continued)

2.3 Associates and joint ventures

An entity is treated as a joint venture where the Group is a party to a contractual agreement with one or more parties from outside the Group to undertake an economic activity that is subject to joint control.

An entity is treated as an associated undertaking where the Group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

In the consolidated accounts, interests in associated undertakings are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investors share of the profit or loss, other comprehensive income and equity of the associate. The Consolidated Statement of Comprehensive Income includes the Group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the Group. In the Consolidated Statement of Financial Position, the interests in associated undertakings are shown as the Group's share of the identifiable net assets, including any unamortised premium paid on acquisition.

Any premium on acquisition is dealt with in accordance with the goodwill policy.

2.4 Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 1 to 2.

In the financial period the Group funded its activities through a mixture of equity and external bank debt held by one of the Group's subsidiary undertakings, Immediate Media Company Limited.

On 15 March 2017 the debt facilities in place at that date were refinanced and rolled over into a new facility of £111.0 million. The total bank facility available to the Group at the balance sheet date is £97.0 million.

The financial covenants of this facility include cash flow cover and leverage. The first compliance certificate required to be prepared was for the quarter ended September 2017. The Group has prepared trading forecasts for the 12 month period ending 31 May 2019. These indicate that there is sufficient headroom against all covenants for a period of not less than 12 months from the date of approval of these financial statements.

After reviewing the Group's forecasts and projections, it is the Directors' view that the Group has adequate resources to continue in operational existence for the foreseeable future. Based on this assessment, and notwithstanding the Group's net current liabilities, it is the Board's view that the Group will have adequate resources to continue as a going concern for the foreseeable future.

2. Accounting policies (continued)

2.5 Turnover

Group turnover represents income from circulation, advertising and subscription revenue generated from print magazines and digital publishing, as well as income earned from sales of goods over the internet and via television shopping and from the operation of online market places.

Turnover is recognised on the provision of the related goods or services. Specifically:

• Advertising and circulation revenue are recognised on the date of sale of the related publication;
• Revenue from print and digital subscriptions is recognised over the period of the subscription;
• Other income is recognised on provision of service;
• Event income is recognised when the event has taken place;
• Sale of goods is recognised when the risks of ownership has passed to the purchaser, which is considered to be when the order has been dispatched. An immaterial provision is also made for anticipated returns.

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

All the material activites of the Group are based in the UK and therefore no segmental analysis has been provided.

2. Accounting policies (continued)

2.6 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated Statement of Comprehensive Income over its useful economic life.

Other intangible assets

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

Estimated useful life

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

The estimated useful lives range as follows:

Software and Development	-	3 years
Goodwill	-	2 to 20 years
Other intangible fixed assets	-	3 to 10 years

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets.

At each reporting date the Group assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount. The Group reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

2.7 Tangible fixed assets

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

2. Accounting policies (continued)

2.7 Tangible fixed assets (continued)

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

The estimated useful lives range as follows:

Long-term leasehold property	- Over the term of the lease
Plant and machinery	- 3 to 5 years
Fixtures and fittings	- 3 to 5 years

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

2.8 Impairment of fixed assets and goodwill

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

2.9 Research and development costs

Software and development costs are recognised as an intangible asset when all the following criteria are demonstrated:

- The technical feasibility of completing the software so that it will be available for use or sale.
- The intention to complete the software and use or sell it.
- The ability to use the software or to sell it.
- How the software will generate probable future economic benefits.
- The availability of adequate resources to complete the development and to use or sell the software.
- The ability to measure reliably the expenditure attributable to the software during its development.

Software and development costs which do not meet the above criteria arerecognised in the Consolidated Statement of Comprehensive Income as an expense as incurred.

Capitalised development costs are not treated as a realised loss for the purpose of determining the Group's distributable profits as the costs meet the conditions requiring them to be treated as an asset in accordance with FRS 102 Section 18.

2.10 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2. Accounting policies (continued)

2.11 Stocks

Stocks comprising raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis, and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Consolidated Statement of Comprehensive Income.

2.12 Debtors

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

2.13 Cash and cash equivalents

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

2.14 Financial instruments

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

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

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

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

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

2. Accounting policies (continued)

2.14 Financial instruments (continued)

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in the Consolidated Statement of Comprehensive Income in finance costs or income as appropriate. The Group does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2.15 Creditors

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

2.16 Hedge accounting

The Group previously used variable to fixed interest rate swaps to manage its exposure to cash flow risk on its loan interest payments. These derivative financial instruments are measured at fair value at each balance sheet date. The gain or loss on fair value is recognised immediately in the Consolidated Statement of Comprehensive Income. The Group has chosen not to apply hedge accounting.

2.17 Foreign currency translation

Functional and presentation currency

The Group's functional and presentational currency is sterling (£). All amounts in the financial statements have been rounded to the nearest £1,000.

Transactions and balances

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

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

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

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

2. Accounting policies (continued)

2.18 Finance costs

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

2.19 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.20 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Group has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 April 2014 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.21 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

2.22 Holiday pay accrual

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

2.23 Interest income

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

2. Accounting policies (continued)

2.24 Borrowing costs

All borrowing costs are recognised in the Consolidated Statement of Comprehensive Income in the year in which they are incurred.

2.25 Provisions for liabilities

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

Provisions are charged as an expense to the Consolidated Statement of Comprehensive Income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.26 Current and deferred taxation

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

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

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

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

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

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

The Group has made a number of acquisitions. In each case management has estimated the fair value of the acquired assets and liabilities. Following the adoption of FRS 102, management has also estimated, in line with the standard's requirements, a deferred tax provision in relation to acquired assets where relevant.

On the acquisition of assets and their recognition in the statement of financial position, management has estimated the useful life of the asset and amortised the assets over its useful life. Carrying values are reviewed at each balance sheet date.

Management capitalises certain development costs in line with the Research and development costs policy and Intangible assets policy. Management has exercised judgement in determining what proportion of individual staff members' time is allocated to specific projects, and at what date the business will start to amortise these assets.

4. Operating profit

The operating profit is stated after charging:

	Year to December 2017 £000	*9 month period to December 2016 £000*
Amortisation of goodwill	13,548	*10,111*
Amortisation of other intangible assets	10,216	*7,432*
Impairment of intangible assets	1,375	-
Depreciation of tangible fixed assets	1,715	*1,111*
Research & development charged as an expense	706	*889*
Exchange differences	331	*423*
Other operating lease rentals	2,084	*1,890*
Restructuring costs	3,117	*6,012*

Total research and development expenditure incurred in the year was £5.6 million *(nine month period ended 31 December 2016: £4.0 million)*, which includes £4.9 million *(nine month period ended 31 December 2016: £3.1 million)* of capital expenditure.

In the year to 31 December 2017, the major items included in restructuring costs were costs associated with the change of subscription providers of £1.0 million and redundancy costs of £1.3 million.

In the nine month period to 31 December 2016, the major items included in restructuring costs were a strategic review of the business of £0.4 million, costs associated with the completion of the sale of £2.1 million, and costs associated with the closure of one of the Group's major suppliers of £0.6 million and the planned closure of another which includes write off of a loan and impairment of the Group's investment in the Joint Venture at £0.8 million. As a result of these major items the Group generated a tax credit of £0 2 million and a deferred tax asset of £0.1 million.

5. Auditor's remuneration

	Year to December 2017 £000	*9 month period to December 2016 £000*
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	130	*135*
Fees payable to the Group's auditor and its associates in respect of:		
All other services	5	-

6. Employees

Staff costs were as follows:

	Year to December 2017 £000	*9 month period to December 2016 £000*
Wages and salaries	38,079	*28,261*
Social security costs	4,576	*3,265*
Cost of defined contribution pension scheme	1,241	*931*
	43,896	*32,457*

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

	Year to December 2017 No.	*9 month period to December 2016 No.*
Sales	187	*168*
Production	632	*667*
Administration	196	*202*
Contract publishing	78	*114*
	1,093	*1,151*

7. Directors' remuneration

	Year to December 2017 £000	*9 month period to December 2016 £000*
Directors' emoluments	583	*705*
Company contributions to defined contribution pension schemes	7	*7*
	590	*712*

The highest paid director received remuneration of £388 thousand *(nine month period ended 31 December 2016 - £383 thousand)*.

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £7 thousand *(nine month period ended 31 December 2016 - £7 thousand)*.

8. Interest receivable

	Year to December 2017 £000	*9 month period to December 2016 £000*
Interest receivable from joint ventures	13	-
Share of associates' interest receivable	49	-
Net gain on financial liabilities measured at fair value through profit or loss	64	*120*
	126	*120*

On 15 March 2017, the interest rate swaps in place at 31 December 2016 were terminated as part of the refinance of the external bank debt of the Group. The gain on the financial liabilities measured at fair value through profit or loss in the year to 31 December 2017 relates to the revaluation of the interest rate swaps to the mark to market value at 15 March 2017.

In the nine month period to 31 December 2016 the gain on the financial liabilities measured at fair value through profit or loss relates to the revaluation of the interest rate swaps to the mark to market value at 31 December 2016 and this fair value is reported as a liability in Note 17.

9. Interest payable and similar charges

	Year to December 2017 £000	*9 month period to December 2016 £000*
Bank interest payable	3,788	*4,734*
Interest rate swap interest	90	*326*
On amounts listed on the Channel Islands Stock Exchange	59	*1,111*
On amounts owed to Related Parties	33	*77*
Amortisation of capitalised loan arrangement costs	539	*629*
Write-off capitalised loan arrangement costs outstanding at 15 March 2017	2,558	-
Share of joint venture and associate interest	-	*76*
	7,067	*6,953*

On 11 January 2017, following the sale of Vancouver Topco Limited to Hubert Burda Media, the debt listed on the Channel Islands Stock Exchange was fully repaid and delisted.

In March 2017 the Group successfully refinanced its debt facilities, securing further funds at a more favourable interest rate. Costs were incurred in renegotiating this deal, which have been capitalised and will be written off over the term of the loan. Included in the interest charge for the year ended 31 December 2017 is the write-off of the loan arrangement costs remaining on the extinguished debt which amounted to £2,558,184.

10. Taxation

	Year to December 2017 £000	*9 month period to December 2016 £000*
Corporation tax		
UK Corporation tax on profit / loss for the period	2,815	*1,100*
Adjustments in respect of previous periods	283	*(230)*
Total UK corporation tax	3,098	*870*
Foreign tax		
Foreign tax on income for the year	10	*28*
Total foreign tax	10	*28*
Total current tax	3,108	*898*
Deferred tax		
Origination and reversal of timing differences	(64)	*(170)*
Changes to tax rates	(26)	*(68)*
Total deferred tax	(90)	*(238)*
Taxation on profit / loss on ordinary activities	3,018	*660*

10. Taxation (continued)

Factors affecting tax charge for the period

The tax assessed for the period is higher than *(2016 - higher than)* the standard rate of corporation tax in the UK of 19.25% *(2016 - 20%)*. The differences are explained below:

	Year to December 2017 £000	*9 month period to December 2016 £000*
Profit/(loss) on ordinary activities before tax	2,209	*(7,891)*
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	425	*(1,578)*
Effects of:		
Disallowed expenditure	71	*614*
Other permanent differences	309	*329*
Other timing differences	51	*(149)*
Utilisation of tax losses	-	*(2)*
Other tax adjustments	2,220	*1,694*
Adjustments to tax charge in respect of prior periods - corporation tax	282	*(230)*
Adjustments to tax charge in respect of prior periods - deferred tax	(29)	*(34)*
Share of results of joint ventures and associates	(185)	*537*
Share of tax on joint ventures and associate profit / (loss)	71	*(481)*
Tax on overseas operations	10	*28*
Change in tax rates	(25)	*(68)*
Group relief	(182)	*-*
Total tax charge for the year/period	3,018	*660*

Factors that may affect future tax charges

A reduction in the UK corporation tax rate from 19% to 17% (effective from 1 April 2020) was substantively enacted on 15 September 2016. The deferred tax liability at 31 December 2017 has been calculated based on these rates.

The Group has no deferred tax assets that are not fully recogised *(nine month period to 31 December 2016: £Nil)*.

11. Intangible assets

Group

	Goodwill £000	Other Intangibles £000	Software and Development £000	Total £000
Cost				
At 1 January 2017	147,222	27,118	16,717	191,057
Additions	-	-	5,023	5,023
Disposals	(27)	(3,085)	(3,488)	(6,600)
Reclassification	(2,047)	-	-	(2,047)
At 31 December 2017	145,148	24,033	18,252	187,433
Amortisation				
At 1 January 2017	62,525	9,718	7,687	79,930
Charge for the year	13,548	4,385	5,831	23,764
On disposals	(27)	(3,085)	(3,488)	(6,600)
Reclassification	(2,047)	-	-	(2,047)
Impairment charge	-	1,375	-	1,375
At 31 December 2017	73,999	12,393	10,030	96,422
Net book value				
At 31 December 2017	71,149	11,640	8,222	91,011
At 31 December 2016	*84,697*	*17,400*	*9,030*	*111,127*

The Directors consider each acquisition separately for the purpose of determining the amortisation period of any goodwill that arises.

A reclassification was made in the year between goodwill cost and amortisation, with no impact to the net book value of goodwill.

In the year an impairment charge of £1,375,000 was made to the £3,085,000 other intangible asset relating to parenting and wedding titles for which market conditions are currently difficult

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

12. Tangible fixed assets

Group

	Plant and machinery £000	Fixtures and fittings £000	Leasehold Improvements £000	Total £000
Cost or valuation				
At 1 January 2017	2,680	908	3,528	7,116
Additions	1,386	172	116	1,674
Disposals	(571)	(529)	-	(1,100)
At 31 December 2017	3,495	551	3,644	7,690
Depreciation				
At 1 January 2017	1,160	534	987	2,681
Charge for the year	1,083	276	356	1,715
Disposals	(571)	(529)	-	(1,100)
At 31 December 2017	1,672	281	1,343	3,296
Net book value				
At 31 December 2017	1,823	270	2,301	4,394
At 31 December 2016	*1,520*	*374*	*2,541*	*4,435*

13. Fixed asset investments

Group

	Investments in associates £000
At 1 January 2017	42
Dividends received	(345)
Share of profit/(loss)	303
At 31 December 2017	-
At 31 December 2016	*42*

The share of profit of joint ventures and associates as shown in the Consolidated Statement of Comprehensive Income also includes a reversal of a provision in relation to the closure of the joint venture of £587,000.

Direct subsidiary undertakings

The following were subsidiary undertakings of the Company

Name	Class of shares	Holding	Principal activity
Vancouver Midco 1 Limited	Ordinary	100 %	Holding Company
Immediate Media Company Limited	Ordinary	100 %	Holding Company

In the year Vancouver Topco Limited purchased the shares of Immediate Media Company Limited from Vancouver Midco 1 Limited

Indirect Subsidiary undertakings

The following were indirect subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Vancouver Midco 2 Limited	Ordinary	100 %	Holding company
Immediate Media Company London Limited	Ordinary	100 %	Cross media publishing
Immediate Media Company Bristol Limited	Ordinary	100 %	Cross media publishing
Immediate Media TV Limited	Ordinary	100 %	TV shopping
Hitched Limited	Ordinary	100 %	Digital media
Genealogy Events Limited	Ordinary	77.5 %	Live events
Immediate Media Company Services Limited	Ordinary	100 %	Dormant
Immediate Media Company Magicalia Limited	Ordinary	100 %	Dormant
Immediate Media Company Magicalia Holdings Limited	Ordinary	100 %	Dormant
Immediate Media Company Origin Limited	Ordinary	100 %	Dormant
Immediate Media Company Origin Holdings Limited	Ordinary	100 %	Dormant
Visordown Ltd	Ordinary	100 %	Dormant

13. Fixed asset investments (continued)

Mumdrum Limited	Ordinary	100 %	Dormant
Hitched PTY Limited (South Africa)	Ordinary	100 %	Dormant
Immediate Media Company North America Inc	Ordinary	100 %	Management services
Immediate Media Company Australia PTY Limited	Ordinary	100 %	Management services
Immediate Media Company Pte Singapore Limited	Ordinary	100 %	Management services
Associated undertakings - joint ventures			
Dovetail Services (UK) Holdings Limited	Ordinary	50 %	In liquidation
Radio Times Events Limited	Ordinary	51 %	Live events
Associated undertakings - associates			
Frontline Limited	Ordinary	23 %	Magazine distribution

Name	**Registered office**
Vancouver Midco 1 Limited	Vineyard House, 44 Brook Green, Hammersmith, London, W6 7BT, UK
Vancouver Midco 2 Limited	Vineyard House, 44 Brook Green, Hammersmith, London, W6 7BT, UK
Immediate Media Company Limited	Vineyard House, 44 Brook Green, Hammersmith, London, W6 7BT, UK
Immediate Media Company London Limited	Vineyard House, 44 Brook Green, Hammersmith, London, W6 7BT, UK
Immediate Media Company Bristol Limited	Vineyard House, 44 Brook Green, Hammersmith, London, W6 7BT, UK
Immediate Media TV Limited	Vineyard House, 44 Brook Green, Hammersmith, London, W6 7BT, UK
Hitched Limited	Vineyard House, 44 Brook Green, Hammersmith, London, W6 7BT, UK
Genealogy Events Limited	Vineyard House, 44 Brook Green, Hammersmith, London, W6 7BT, UK
Immediate Media Company Services Limited	Vineyard House, 44 Brook Green, Hammersmith, London, W6 7BT, UK
Immediate Media Company Magicalia Limited	Vineyard House, 44 Brook Green, Hammersmith, London, W6 7BT, UK
Immediate Media Company Magicalia Holdings Limited	Vineyard House, 44 Brook Green, Hammersmith, London, W6 7BT, UK
Immediate Media Company Origin Limited	Vineyard House, 44 Brook Green, Hammersmith, London, W6 7BT, UK
Immediate Media Company Origin Holdings Limited	Vineyard House, 44 Brook Green, Hammersmith, London, W6 7BT, UK
Visordown Limited	Vineyard House, 44 Brook Green, Hammersmith, London, W6 7BT, UK
Mumdrum Limited	Vineyard House, 44 Brook Green, Hammersmith, London, W6 7BT, UK
Hitched PTY Limited	Falcon Office Park Unit 14, 142 Suid Street, Lyttelton, 0140, South Africa
Immediate Media Company North America Inc (Delaware USA)	Vineyard House, 44 Brook Green, Hammersmith, London, W6 7BT, UK
Immediate Media Company Australia Pty Limited	King & Wood Mallesons Governor Philip Tower, Level 61, 1 Farrer Place, Sydney NSW 2000
Immediate Media Company Pte Singapore Limited	8 Wilkie Road, #03-01 Wilkie Edge, Singapore 228095
Dovetail Services (UK) Holdings Limited	Vineyard House, 44 Brook Green, Hammersmith, London, W6 7BT, UK
Radio Times Events Limited	Vineyard House, 44 Brook Green, Hammersmith, London, W6 7BT, UK

13. Fixed asset investments (continued)

Frontline Limited	Media House Peterborough Business Park, Lynch Wood, Peterborough, United Kingdom, PE2 6EA

The aggregate of the share capital and reserves as at 31 December 2017 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows

	Aggregate of share capital and reserves £000	Profit/(loss) £000
Vancouver Midco 1 Limited	-	(14,429)
Vancouver Midco 2 Limited	-	660
Immediate Media Company Limited	(21,287)	10,223
Immediate Media Company London Limited	90,968	23,286
Immediate Media Company Bristol Limited	1,692	(1,335)
Immediate Media TV Limited	(12,815)	(6,739)
Hitched Limited	3,047	1,280
Genealogy Events Limited	(130)	(49)
Immediate Media Company North America Inc (Delaware USA)	139	74
Immediate Media Company Australia PTY Limited (Australia)	33	6
Immediate Media Company Pte Singapore Limited	58	11
	61,705	12,988

Company

	Investments in subsidiary companies £000
Cost or valuation	
At 1 January 2017	753
Additions	1,149
At 31 December 2017	1,902
Impairment	
Charge for the period	753
At 31 December 2017	753
Net book value	
At 31 December 2017	1,149
At 31 December 2016	*753*

13. Fixed asset investments (continued)

The subsidiary undertakings listed below are exempt from the Companies Act 2006 requirements relating to the audit of their individual accounts by virtue of Section 479A of the Act as this company has guaranteed the subsidiary company under Section 479C of the Act:

Vancouver Midco 1 Limited (registered number 07633883)
Vancouver Midco 2 Limited (registered number 07633954)
Immediate Media Company Limited (registered number 07635200)
Hitched Limited (registered number 02925837)

14. Stocks

	Group 2017 £000	*Group 2016 £000*	**Company 2017 £000**	*Company 2016 £000*
Raw materials and consumables	610	*904*	-	-
Work in progress	2,347	*2,500*	-	-
Finished goods	5,344	*4,381*	-	-
	8,301	*7,785*	-	-

The difference between purchase price or production cost of stocks and their replacement cost is not material.

15. Debtors

	Group 2017 £000	*Group 2016 £000*	**Company 2017 £000**	*Company 2016 £000*
Due after more than one year				
Amounts owed by Related Parties	-	*34*	-	-
Other debtors	-	*56*	-	-
	-	*90*	-	-
Due within one year				
Trade debtors	12,460	*13,154*	-	-
Amounts owed by subsidiary undertakings	-	-	166	*1,550*
Amounts owed by associated undertakings	6,109	*3,527*	-	-
Other debtors	4,574	*4,829*	(5)	-
Prepayments and accrued income	2,841	*2,354*	-	-
	25,984	*23,954*	161	*1,550*

Amounts owed by Group undertakings are repayable on demand.

16. Cash and cash equivalents

	Group 2017 £000	*Group 2016 £000*	Company 2017 £000	*Company 2016 £000*
Cash at bank and in hand	9,312	*15,670*	-	*1*
	9,312	*15,670*	-	*1*

17. Creditors: Amounts falling due within one year

	Group 2017 £000	*Group 2016 £000*	Company 2017 £000	*Company 2016 £000*
Bank loans	5,000	*12,066*	-	-
Capitalised loan arrangement costs	(234)	*(734)*	-	-
Trade creditors	10,510	*12,664*	-	-
Amounts owed to subsidiary undertakings	-	-	-	*102*
Corporation tax	557	*49*	-	-
Accruals and other creditors including other taxes and social security	16,625	*17,406*	2	*34*
Deferred income	22,067	*23,145*	-	-
Interest rate swaps	-	*303*	-	-
	54,525	*64,899*	2	*136*

At 31 December 2016 the Group had interest rate swaps on 68% of its debt which capped interest at current levels, the fair value of the swaps was equal to a liability as disclosed above.

On 15 March 2017, the interest rate swaps in place at 31 December 2016 were terminated as part of the refinance of the external bank debt of the Group.

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

	Group 2017 £000	*Group 2016 £000*	Company 2017 £000	*Company 2016 £000*
Bank loans	92,000	*104,028*	-	-
Capitalised loan arrangement costs	(486)	*(1,965)*	-	-
Amounts listed on the Channel Islands Stock Exchange	-	*15,489*	-	-
Amounts owed to related parties	-	*1,067*	-	*1,067*
	91,514	*118,619*	-	*1,067*

On 15 March 2017 the debt facilities in place at that date were refinanced and rolled over into a new facility of £111.0 million. The total bank facility available to the Group at the balance sheet date is £97.0 million and the bank facility expires in March 2022.

The total value (excluding listing fees) of listed loan notes at 31 December 2017 was £nil (31 December 2016: £15,500,761), of which there was principal outstanding of £nil (9 month period ended 31 December 2016: 14,389,190) and interest accrued but not paid of £nil (9 month period ended 31 December 2016: £1,111,571). As at 31 December 2016 these loan notes were subordinated to the Group's bank debt and so were classified in these financial statements as falling due in more than 12 months.

On 11 January 2017, as a result of the Company's sale, the amounts listed on the Channel Islands Stock Exchange were repaid in full and delisted.

19. *Loans*

The Group holds bank loans which are due for repayment as follows:

	Group 2017 £000	*Group 2016 £000*	**Company 2017 £000**	*Company 2016 £000*
Amounts falling due within one year				
Bank loans	5,000	*12,066*	-	-
	5,000	*12,066*	-	-
Amounts falling due 1-2 years				
Bank loans	6,000	*12,049*	-	-
	6,000	*12,049*	-	-
Amounts falling due 2-5 years				
Bank loans	86,000	*91,980*	-	-
	86,000	*91,980*	-	-
	97,000	*116,095*	-	-

Interest is charged on the bank loans at LIBOR plus a margin. Book value approximates to fair value

20. Deferred taxation

Group

	2017 £000	*2016 £000*
At beginning of year	(1,975)	*(2,213)*
Charged to profit or loss	90	*238*
At end of year	(1,885)	*(1,975)*

20. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	Group 2017 £000	*Group 2016 £000*
Accelerated capital allowances	(1,001)	*(945)*
Fair values in business combinations	(883)	*(1,158)*
Accrued pension contributions	(1)	-
Write-off of loan to joint venture	-	*128*
	(1,885)	*(1,975)*

The amount of the net reversal of deferred tax expected to occur next year is £453,533 *(nine month period ended 31 December 2016 £346,511)*, relating to the reversal of existing timing differences on tangible and intangible fixed assets, employee benefits and change in tax rates.

21. Provisions

Group

	Provision for constructive obligation £000	Other provisions £000	Total £000
At 1 January 2017	2,390	236	2,626
Additions	-	140	140
Utilised in year	(2,154)	(236)	(2,390)
At 31 December 2017	236	140	376

The provision for constructive obligation obligation represents an estimate of the Group's share of the losses incurred by a joint venture during its closure. The joint venture ceased trading in November 2017 and entered members voluntary liquidation on 19 February 2018. Substantially all of the costs related to this had been incurred by January 2018.

22. Share capital

	2017 £000	*2016* *£000*
Shares classified as equity		
Allotted, called up and fully paid		
91,571,871 *(2016 - 80,358,270)* A ordinary shares of £0.0001 each	9	*8*
8,839,410 B ordinary shares of £0.01 each	88	*88*
7,340,691 C ordinary shares of £0.0001 each	1	*1*
95,000 D ordinary shares of £0.0001 each	-	-
550 E ordinary shares of £0.0001 each	-	-
3,200 F ordinary shares of £0.0001 each	-	-
100 G ordinary shares of £0.0001 each	-	-
	98	*97*

On 1 August 2016 a further 950 F ordinary shares were issued. On 11 January 2017 a further 11,213,601 A ordinary shares were issued.

23. Pension commitments

The Group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Group to the scheme and amounted to £1,241,000 *(nine month period ended 31 December 2016: £931,000).*

Contributions amounting to £0.2 million *(31 December 2016: £0.2million)* were payable by the group to the scheme at 31 December 2017.

No contributions were payable by the Company to the scheme during the period.

24. Commitments under operating leases

At 31 December 2017 the Group had future minimum lease payments under non-cancellable operating leases as follows.

	Group 2017 £000	*Group 2016 £000*
Land and buildings		
Not later than 1 year	2,254	*2,180*
Later than 1 year and not later than 5 years	10,585	*7,778*
Later than 5 years	10,091	*10,216*
	22,930	*20,174*

	Group 2017 £000	*Group 2016 £000*
Other operating leases		
Not later than 1 year	77	-
Later than 1 year and not later than 5 years	250	-
	327	-

The Group has no capital commitments at the end of the financial period that have not been provided in the balance sheet

The Company does not hold any operating leases and has no capital commitments at the end of the financial period.

25. Related party disclosures

Related parties of Vancouver Topco Limited include its subsidiary, associate and joint venture undertakings and its ultimate controlling parties as well as its Directors and close family members

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note as permitted by FRS 102.1 12(e).

Group
The following related party transactions were undertaken by the Group:

December 2017	**How related to the group**	**Income £000**	**Expenditure £000**	**Net debtors/ (creditors) balance £000**
Name of related party				
Dovetail Services Limited	Joint venture	13	(2,341)	-
Frontline Limited	Associate	-	(2,453)	6,109
Exponent PE Partner GP I	Significant shareholder	-	(6)	-
Exponent PE Partner GP II	Significant shareholder	-	(41)	-
Directors and Senior Managment	Directors	-	(3)	-
Burda Gmbh	Significant shareholder	-	(108)	-

December 2016	*How related to the group £000*	*Expenditure £000*	*Net debtors/ (creditors) balance £000*
Name of related party			
Dovetail Services Limited	*Joint venture*	*(2,793)*	-
Radio Times Events Limited	*Joint venture*	*(278)*	-
Frontline Limited	*Associate*	*(1,887)*	*3,527*
Exponent PE Partner GP I	*Significant shareholder*	*(137)*	*(1,827)*
Exponent PE Partner GP II	*Significant shareholder*	*(1,025)*	*(13,674)*
Exponent LLP	*Siginificant shareholder*	*(2)*	-
Directors and Senior management	*Directors*	*(36)*	*(472)*

The expenditure incurred with Dovetail Services Limited in the year to 31 December 2017 and nine month period to 31 December 2016 relate to subscription fulfilment.

In the year 2,800,000 of £1 shares were purchased at par in Dovetail Services (UK) Holdings Limited, with a further 250,000 £1 shares purchased at par in January 2018. The joint venture partner invested the same amount so there was no change to the overall percentage share of the joint venture.

The fees payable to Frontline Limited in the year to 31 December 2017 and nine month period to 31 December 2016 relate to magazine distribution. The balance outstanding with Frontline Limited relates to Group revenues collected by Frontline and its subsidiary and joint venture undertakings that are due to the Group. This balance is net of associated fees and marketing and distribution costs and is included within Amounts owed by associated undertakings in Note 15.

Fees paid to Exponent in the year to 31 December 2017 relate to interest payable on listed shareholder debt as shown in Note 9 In the nine month period to 31 December 2016 these fees also include management fees payable.

25. Related party disclosures (continued)

At 31 December 2017 subordinated loan notes of £nil *(31 December 2016: £376,821)* were payable by the Company to T Bureau. This was consideration due in payment for his shareholding in Magicalia Holdings Limited which the Group acquired on 31 October 2012.

In addition, subordinated loan notes of £nil *(31 December 2016: £129,355)* were payable to other related parties of the Group. These were also consideration due in payment for shareholdings in Magicalia Holdings Limited which the Group acquired on 31 October 2012.

At 31 December 2017 a balance of £nil *(31 December 2016: £24,586)* was outstanding with T Bureau and £nil *(31 December 2016: £9,085)* with K Langford. These loans did not accrue interest and were repaid on 11 January 2017.

Company

The Company has taken exemption under FRS 102.1.12(e) from disclosing transactions and balances with wholly owned entities which form part of the group headed by Vancouver Topco Limited. Remuneration of Directors is disclosed in Note 7 of these accounts.

The Company did not undertake any further related party transactions.

26. Ultimate parent company

At 31 December 2017, the ultimate controlling party and immediate parent company of the Company was Burda Gesellschaft mit beschränkter Haftung (Hubert Burda Media), registered address Hauptstraße 130, 77652 Offenburg, Germany.