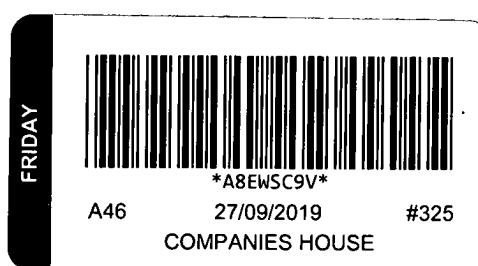


WARC Limited
Annual Report and Financial Statements
For the 9-month period ended 31 December 2018

Registered Number: 03383627



WARC Limited
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For the 9-month period ended 31 December 2018

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WARC Limited

Directors, officers and auditor

For the 9-month period ended 31 December 2018

Directors	D Painter M Gradden P Thomas P Walker
Company secretary	S Looi L Meads
Auditor	Grant Thornton UK LLP 30 Finsbury Square London EC2A 1AG
Registered office	The Prow 1 Wilder Walk London United Kingdom W1B 5AP
Company number	03383627

Principal activities and future developments

The principal activity of WARC Limited ('the Company' or 'WARC') continues to be the provision of advertising and marketing information.

WARC is the world's largest database of advertising and media knowledge, used by advertising and media agencies, advertisers and media owners in over 100 countries. WARC provides its subscribers with critical and current information about the latest best practices in advertising and media, insights, benchmark data and ideas that work. It offers access to a one-stop destination for information designed to help advertisers, their agencies, and media owners grow their businesses in the face of rapid change.

On 2 July 2018, the entire share capital of WARC Limited was acquired by Ascential UK Holdings Limited, a company registered in England and Wales with registration number 00537204, and became a member of the Ascential plc group ('Ascential').

The directors continue to build the long-term value of WARC as part of Ascential's mission to help its customers win in the digital economy. Future developments include new product launches and enhanced client offerings. On 1 November 2019, it is anticipated that the trade and assets of the Company will be transferred to a fellow group company at book value.

Results and dividends

The results for the Company for the nine month period ended 31 December 2018 show a pre-tax profit of £476,000 (year ended 31 March 2018: £1,387,000) and revenue of £6,958,000 (year ended 31 March 2018: £8,540,000).

No interim dividend was paid during the period (year ended 31 March 2018: £1,382,000). The Directors do not recommend the payment of a final dividend (year ended 31 March 2018: £nil).

Information relating to dividends paid can be found in Note 17.

Principal risks and uncertainties

The Company is an information services business to the marketing, advertising and media industries. A downturn in these end-markets could adversely impact the performance of the Company. Equally, an economic downturn globally or in any of the Company's regional markets may result in a decline in discretionary spending and therefore subscriptions, negatively impacting the Company's revenues.

The Company incurs credit risk in the usual course of business. The Company considers that it is not exposed to a significant amount of either customer credit or bad debt risk due to the diversified and fragmented nature of the customer base.

The Company faces pricing risk. This arises from general market pressures in tougher trading environments, from pricing strategies of its competitors and also from internet sources offering free content. Senior management manage this risk by reviewing pricing strategies, monitoring of the external competitive environment and developing more valuable content.

Certain risks, including liquidity, foreign exchange, insurance and elements of operational risk are managed by the ultimate parent undertaking, Ascential plc. The principal risks and uncertainties of Ascential plc and its subsidiaries, which include those of the Company, are discussed within its publicly available annual report and financial statements which do not form part of this report.

Key performance indicators ('KPIs')

During the course of the period, the Board set operational KPIs which are tracked and reviewed at each Board meeting in order to assess performance. The KPIs below are useful for the understanding of the development, performance and position of the business.

The most significant of the key indicators used by the directors to monitor the performance of the company is the subscription renewal rate. The overall renewal rate for the period was on target and in line or above that of prior years. The directors believe that the company is well set to maintain or improve upon these renewal rates in the future.

Adjusted earnings before interest, tax, depreciation, amortisation, share-based payments and exceptional items ('Adjusted EBITDA') of £1,355,000 (year ended 31 March 2018: £1,893,000) provides a measure of the underlying profitability of the business.

The KPIs above are not defined in the Financial Reporting Standard 102.

Going concern

The Company's business activities together with the factors likely to affect its future development and position are set out above.

On the basis of their assessment, the Company's directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and for a period of at least 12 months from the date of approval of these financial statements. Thus they continue to adopt the going concern basis of accounting in preparing these Annual financial statements.

Approved by the Board on 27 September 2019.



M Gradden
Director

Company registered number: 03383627

WARC Limited
Directors' Report
For the 9-month period ended 31 December 2018

The Directors submit their report and accounts for the 9-month period ended 31 December 2018. The comparative period is for the year ended 31 March 2018.

Directors

The current Directors are shown on page 1. The Directors who held office at any time during or since the end of the financial period are given below:

Appointed on 2 July 2018:

D Painter
M Gradden
P Thomas
P Walker

Resigned on 2 July 2018:

M Waterson
Y Waterson
S White
A Denham
A Croft

Insurance of Directors

Throughout the period, Directors' and Officers' liability insurance has been maintained by the Company.

Employment practices

All employment decisions are made irrespective of colour, race, age, nationality, ethnic or national origin, sex, mental or physical disabilities, marital status or sexual orientation. For employees who may have disability, the Company ensures proper procedures and equipment are in place to aid them. When it comes to training, career development and promotion, all employees are treated equally and job applications are always judged on aptitude. Further details on the Group's policies on engagement and employment practices is set out on pages 42 to 44 of the Ascential plc annual report.

Donations

As a Patron of The Prince's Trust, Ascential sponsors The Trust's Million Makers Awards for London and the South East. Our fundraising efforts have grown considerably over the period, and in 2018 raised over £350,000. Ascential also support various local charities across the Group. The Company made charitable donations in the period of £627 (2018: £200).

Political Donations

The Company did not make any political donations during the period.

Dividends

The Directors do not recommend the payment of a final dividend (year ended 31 March 2018: £nil).

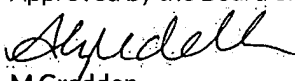
Disclosure of information to the auditor

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Grant Thornton UK LLP will therefore continue in office.

Approved by the Board on 27 September 2019.


M Gradden
Director

Company registered number: 03383627

WARC Limited

Statement of Directors' Responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements For the 9-month period ended 31 December 2018

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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland'.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and

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 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 general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

To the best of our knowledge:

- the financial statements, prepared in accordance with United Kingdom Generally Accepted Accounting Practice, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole; and
- the Directors' Report includes a fair review of the development and performance of the business and the position of the company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

WARC Limited**Statement of Directors' Responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements**

For the 9-month period ended 31 December 2018

Statement of 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's auditor is unaware
- 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's auditor is aware of that information.

Opinion

We have audited the financial statements of WARC Limited (the 'company') for the year ended 31 December 2018, which comprise the Statement of Comprehensive Income, Balance Sheet and the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit 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.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matter on which we are required to report under the Companies Act 2006

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and from the requirement to prepare a strategic report.

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 5-6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF WARC LIMITED



uk LLP

Sergio Cardoso
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London

27 September 2019

WARC Limited
Statement of Comprehensive Income
For the 9-month period ended 31 December 2018

		9 months ended 31 December 2018	Year ended 31 March 2018 <i>Restated</i>
	Note	£'000	£'000
Continuing operations			
Turnover	2	6,958	8,540
Cost of sales		(1,442)	(3,232)
Gross profit		5,516	5,308
Administrative expenses		(5,010)	(3,898)
Operating profit	3	506	1,410
Adjusted EBITDA*		1,355	1,893
Depreciation and amortisation	9, 10	(358)	(335)
Impairment of investments	11	(264)	(148)
Transaction costs		(227)	-
Operating profit	3	506	1,410
Interest receivable and similar income	6	-	2
Interest payable and similar expenses	7	(30)	(25)
Profit before taxation		476	1,387
Tax on profit	8	(217)	(390)
Profit for the period		259	997
Other comprehensive (expense)/income			
Currency translation differences		(37)	65
Total other comprehensive (expense)/income		(37)	65
Total comprehensive profit for the period		222	1,062

*Adjusted EBITDA is a non-IFRS measure, defined as the Company's operating profit before expensing depreciation, amortisation and exceptional items.

The accompanying notes on pages 13 to 26 from part of the financial statements.

WARC Limited
Balance Sheet
As at 31 December 2018

		31 December 2018	31 March 2018 <i>Restated</i>
	Note	£'000	£'000
Assets			
Fixed Assets			
Intangible assets and goodwill	9	828	838
Tangible assets	10	289	341
Investments	11	-	264
		1,117	1,443
Current assets			
Debtors	12	6,357	2,088
Cash at bank and in hand		2,828	5,287
		9,185	7,375
Total assets		10,302	8,818
Liabilities			
Current liabilities			
Creditors: amounts falling due within one year	13	(3,861)	(2,674)
Deferred income		(4,354)	(4,263)
		(8,215)	(6,937)
Non-current liabilities			
Deferred income		(40)	(32)
Provisions			
Deferred taxation	14	(35)	(28)
Other provisions	15	(63)	(94)
Total liabilities		(8,353)	(7,091)
Net assets		1,949	1,727
Capital and reserves			
Called up share capital	16	-	-
Profit and loss account	18	1,949	1,727
Shareholder's funds		1,949	1,727

The accompanying notes on pages 13 to 26 are an integral part of these financial statements and were approved by the Board of Directors on 27 September 2019 and were signed on its behalf by:



M Gradden
Director
 Company registered number: 03383627

WARC Limited
Statement of Changes in Equity
For the 9-month period ended 31 December 2018

	Called up share capital	Profit and loss account	Shareholder's funds
	£'000	£'000	£'000
Balance at 1 April 2017 (restated)	-	2,047	2,047
Total comprehensive income for the year (restated)	-	1,062	1,062
Dividends paid	-	(1,382)	(1,382)
Balance at 31 March 2018 (restated)	-	1,727	1,727
Total comprehensive income for the period	-	222	222
Balance at 31 December 2018	-	1,949	1,949

The accompanying notes on pages 13 to 26 form part of the financial statements.

1. Accounting policies

WARC Limited ('the Company') is a company limited by shares and is incorporated in England and Wales and domiciled in the United Kingdom. During the period, the Company's financial year end was changed from 31 March to 31 December, therefore these financial statements show the 9-month period ended 31 December 2018. The comparative period is for the year ended 31 March 2018.

Basis of accounting

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 102 '*The Financial Reporting Standard applicable in the UK and Republic of Ireland*' ('FRS 102').

The Company's ultimate parent undertaking, Ascential plc, includes the Company in its consolidated financial statements. The consolidated financial statements of Ascential plc are prepared in accordance with International Financial Reporting Standards, are available to the public and may be obtained from The Prow, 1 Wilder Walk, London, W1B 5AP.

In these financial statements, the Company is considered to be a qualifying entity (for the purposes of FRS 102) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- A Cash Flow Statement and related notes; and
- Disclosures in respect of the compensation of Key Management Personnel.

As the consolidated financial statements of Ascential plc include the equivalent disclosures to those required by FRS 102, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- financial instrument disclosures, including:
 - categories of financial instruments,
 - items of income, expenses, gains or losses relating to financial instruments, and
 - exposure to and management of financial risks.
- Certain disclosures required by FRS 102.26 *Share-based payments* in respect of group settled share-based payments.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Change in accounting policy

During the period, the Company changed accounting policy in respect of costs associated with the development of the WARC.com website. More details are shown below and in note 23.

Measurement convention and presentation

The financial statements are prepared on the historical cost basis. The financial statements are presented in pounds sterling, which is the Company's functional currency.

Going concern

WARC Limited is a member of the Ascential plc Group ('the Group'), which consists of the ultimate parent Ascential plc and its subsidiaries. The Group has prepared trading forecasts which indicate that there is sufficient liquidity headroom against all financial covenants for a period of not less than 12 months from the date of approval of these financial statements.

1. Accounting policies (continued)

After reviewing the above, taking into account current and future developments and principal risks and uncertainties, and making appropriate enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and are satisfied that the financial statements should be prepared on a going concern basis.

Goodwill

Goodwill is stated at cost less any accumulated impairment losses, with the cost amortised and charged to the statement of comprehensive income on a straight-line basis over its estimated useful life of 20 years.

Goodwill is tested for impairment when there is an indication that goodwill may be impaired.

Other intangible assets

Intangible assets other than goodwill are those that are distinct and can be sold separately or arise from legal rights. Intangible assets acquired as part of a business combination are capitalised at fair value at the date of acquisition. Intangible assets purchased separately are capitalised at cost.

The cost of intangible assets is amortised and charged to the statement of comprehensive income on a straight-line basis over their estimated useful lives as follows:

Software	3-5 years
Publishing rights	3 years

Useful lives are examined every year and adjustments are made, where applicable, on a prospective basis.

Website development costs (included under databases) relating to websites which are revenue generating are capitalised and amortised over three to five years. Development costs relating to websites which are not revenue generating are taken immediately to the statement of comprehensive income.

In prior year financial statements, all website development costs were taken immediately to the statement of comprehensive income. The directors consider that capitalisation of website development costs where permitted under FRS102 results in a better reflection of the allocation of costs against associated revenues in any given period. Further information on the impact of this change on the current and prior periods is given in note 23.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost comprises expenditure directly attributable to the purchase of the asset. Assets are depreciated to their estimated residual value, on a straight-line basis, over their estimated useful economic lives as follows:

Leasehold improvements	over the period of the lease
Fixtures and fitting	5 years
Computer equipment	3 years

Estimated useful lives and residual values are reviewed at each reporting date.

Tangible fixed assets are written off either on disposal or when there is no expected future economic benefit from its continued use. Any gain or loss on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying value of the asset) is included in the statement of comprehensive income in the year the item is derecognised.

1. Accounting policies (continued)

Investments

Investments are recognised at cost less any impairment calculated as the difference between its carrying amount and the present value of the estimated future cash flows. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the statement of comprehensive income.

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.

Trade and other debtors

Trade and other debtors are recognised initially at fair value. Estimates of the recoverability of debtors are based on management's best knowledge of the receivable and counterparty and actual results ultimately may differ from those estimates.

Trade and other creditors

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Foreign currency translation

Transactions and balances

Transactions in foreign currencies are translated to the Company's functional currencies at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the statement of comprehensive income.

Translation of overseas branches

For the purpose of presenting financial statements which include the Company's overseas branch, the assets and liabilities of the Company's foreign branches are translated from their functional currency to Sterling (£) using the closing exchange rate. Income and expenses are translated using the average rate for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising on the translation of overseas branches are recognised in other comprehensive income and are not reclassified to profit or loss.

Taxation

The Company is primarily subject to corporation tax in the UK and Singapore, and judgement and estimates of future profitability are required to determine the Company's deferred tax position. If the final tax outcome is different to that assumed, resulting changes will be reflected in the statement of comprehensive income, unless the tax relates to an item charged to equity, in which case the changes in tax estimates on those items will be reflected in equity.

Income tax on the profit or loss for the period comprises current tax and deferred tax. Income tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

1. Accounting policies (continued)

Current tax is tax payable based on taxable profits for the period, using tax rates that have been enacted or substantively enacted at the reporting date, along with any adjustment relating to tax payable in previous years. Taxable profit differs from net profit in the statement of comprehensive income in that income or expense items that are taxable or deductible in other years are excluded, as are items that are never taxable or deductible.

Using the liability method, deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except for certain temporary differences, such as goodwill that is not deductible for tax purposes.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year in which the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date. The deferred tax assets and liabilities are only offset where they relate to the same taxing authority and the Company has a legal right to offset.

Operating leases

Rental costs under operating leases are charged to the statement of comprehensive income on a straight-line basis over the period of the lease. Lease incentives received are recognised in the statement of comprehensive income as an integral part of the total lease expense.

Employee Benefits

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Termination benefits

Termination benefits are recognised as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Company has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

Pension and other post-employment benefits

The Company operates a defined contribution pension scheme in the UK. Contributions payable are charged to the statement of comprehensive income and included in employee costs as an operating expense as incurred.

Turnover

Revenue is measured based on the consideration specified in a contract with a customer. If multiple performance obligations exist within a contract, the revenue is allocated to the obligations based on the stand-alone selling price, with any discounts allocated evenly across the obligations. For contracts with rebates and therefore variable consideration, revenue is recognised based on the best estimate of the revenue net of the rebated amount.

Revenue is recognised when the company satisfies the performance obligations.

Pre-paid subscription and event revenues are shown as deferred income and released to the statement of comprehensive income in accordance with the revenue recognition criteria above.

1. Accounting policies (continued)

Dividends and reserves

Dividends paid are recognised as an appropriation of the profit and loss account reserve in the year in which they are approved by the Company's shareholders. Interim dividends are recorded in the year in which they are paid.

Dividends receivable are recognised as income in the statement of comprehensive income in the year in which they are approved by the payee's shareholders. Interim dividends receivable are recorded in the year in which they are paid.

Share capital represents the nominal value of shares that have been issued. The profit and loss account contains all current and prior period retained profits and losses.

Critical accounting judgements and key sources of estimation uncertainty

Preparation of these financial statements requires the Directors to exercise judgement and to make estimates about uncertain future events in the process of applying the Company's accounting policies. The actual future outcomes may differ from these estimates and give rise to material adjustments to the reported results and financial position of the Company. The areas requiring a higher degree of judgement, or areas where assumptions and estimates are significant to the financial statements, are discussed below.

Critical accounting judgements

Alternative Performance Measures

The Company uses alternative performance measures which are not defined or specified under IFRS and comprises adjusting items. Adjusting items include amortisation and impairment of acquired intangibles, share-based payments and exceptional items. The classification of exceptional items requires significant management judgement to determine the nature and presentation of such transactions. Exceptional items are those which are considered significant by virtue of their nature, size or incidence. These items are presented separately on the face of the statement of comprehensive. The directors view this as a relevant analysis to assist the reader in their understanding of the underlying performance and financial results of the Company.

2. Turnover

An analysis of turnover by geographical market is given below:

	9 months ended 31 December 2018 £'000	Year ended 31 March 2018 £'000
United Kingdom	1,803	2,266
Other Europe	1,304	1,594
Rest of the World	3,851	4,680
Total	6,958	8,540

All turnover arose from the sale of subscriptions to the company's online database and print publications.

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3. Operating profit before taxation

Operating profit before taxation is stated after charging:

	Note	9 months ended 31 December 2018 £'000	Year ended 31 March 2018 £'000
Amortisation of intangible fixed assets	9	256	137
Depreciation of tangible fixed assets	10	102	89
Operating lease rentals		255	270
Impairment of investments	11	264	148
Shareholder adviser fees and transaction costs		227	-
Fees payable to the company's auditor for audit of the financial statements		26	26
Fees payable to the company's auditor for non-audit services		5	5
Fees payable to branch auditors		4	4

4. Remuneration of Directors

(a) Directors' emoluments

	9 months ended 31 December 2018 £'000	Year ended 31 March 2018 £'000
Aggregate emoluments	96	442
Defined contribution pension	3	11
Total	99	453

During the period four Directors were remunerated by the Company (year ended 31 March 2018: five). Remuneration for the Directors serving since 2 July 2018 were incidental to their service to the Company as a whole and no allocation has been made to the Company.

(b) Highest paid Director

	9 months ended 31 December 2018 £'000	Year ended 31 March 2018 £'000
Aggregate emoluments	68	188
Defined contribution pension	2	-
Total	70	188

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5. Staff numbers and costs

(a) Employees

The average monthly number of persons (including directors) employed by the Company during the period is as follows:

By job category	9 months ended 31 December 2018 Number	Year ended 31 March 2018 Number
Sales and marketing	29	24
Other administrative functions	42	38
Total	71	62

(b) Costs (including Directors' emoluments)

	9 months ended 31 December 2018 £'000	Year ended 31 March 2018 £'000
Wages and salaries	2,977	3,512
Social security costs	297	333
Other pension costs	85	92
Total	3,359	3,937

(c) Pension costs

The Company participates in a defined contribution pension scheme. The assets of the scheme are held by independent custodians and are kept entirely separate from the assets of the Company. No loans have been made by the scheme to the Company and no shareholdings of the scheme have been used as security for any loans to the Company. The pension charge represents contributions due from the employer. During the period it amounted to £67,000 (year ended 31 March 2018: £85,000).

6. Interest receivable and similar income

	9 months ended 31 December 2018 £'000	Year ended 31 March 2018 £'000
Interest receivable from bank deposits	-	2
Total	-	2

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7. Interest payable and similar expenses

	9 months ended 31 December 2018 £'000	Year ended 31 March 2018 £'000
Interest payable to Group undertakings	30	25
Total	30	25

8. Taxation

	9 months ended 31 December 2018 £'000	Year ended 31 March 2018 £'000
Current tax		
UK corporation tax on profit for the period	181	239
Restatement of prior year (see note 22)	-	68
Overseas taxation	30	61
Adjustments in respect of prior year	-	29
Total current tax charge	211	397
Deferred tax		
Current period	6	(7)
Total deferred tax charge	6	(7)
Total tax charge	217	390

Factors affecting the tax charge for the current period

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The difference between tax as per the financial statements and tax at the UK standard rate is explained below:

	9 months ended 31 December 2018 £'000	Year ended 31 March 2018 £'000
Profit before tax	476	1,387
Expected tax charge at 19.0%	90	264
Difference between UK and overseas tax rates on profits taxed overseas	(40)	(5)
Expenses not deductible for tax purposes	159	34
Adjustments in respect of prior years	4	97
Total tax charge for the period	217	390

8. Taxation (continued)

Factors that may affect future tax charges:

The standard rate of corporation tax in the UK reduced from 20% to 19% with effect from 1 April 2017. Accordingly, the Company's profits for the current and prior reporting periods are taxed at a rate of 19.0%.

9. Intangible assets and goodwill

	Goodwill	Publishing Rights and Titles	Software*	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 April 2018 (restated)	1,031	373	495	1,899
Additions	-	-	246	246
At 31 December 2018	1,031	373	741	2,145
Amortisation				
At 1 April 2018 (restated)	722	202	137	1,061
Provided during the period	39	64	153	256
At 31 December 2018	761	266	290	1,317
Net book value				
At 31 December 2018	270	107	451	828
At 31 March 2018 (restated)	309	171	358	838

All goodwill is held in one cash generating unit and there are no indicators of impairment. The recoverable amount of goodwill has been calculated with reference to its fair value.

* During the period the Company changed its accounting policy in respect of costs associated with the development of the WARC.com website. Brought forward Software balances have been restated to reflect this change in accounting policy. More details are given in note 23.

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10. Tangible Assets

	Leasehold improvements £'000	Fixtures and fittings £'000	Computer equipment £'000	Total £'000
Cost				
At 1 April 2018	239	79	465	783
Additions	6	1	34	41
Foreign exchange adjustment	9	-	2	11
At 31 December 2018	254	80	501	835
Accumulated depreciation				
At 1 April 2018	43	29	370	442
Provided during the period	47	11	44	102
Foreign exchange adjustment	1	-	1	2
At 31 December 2018	91	40	415	546
Net book value				
At 31 December 2018	163	40	86	289
At 31 March 2018	196	50	95	341

11. Investments

	2018 £'000	2017 £'000
At 1 January	264	412
Impairment in relation to The Gunn Report Limited	(264)	(148)
At 31 December	-	264

As a consequence of the operational integration of The Gunn Report Limited ('TGRL') with WARC, on 31 March 2018 TGRL's future trading activities were transferred to WARC. The directors consider that TGRL has a negligible fair value and no trading activity at 31 December 2018, and has therefore impaired the remaining carrying value of its investment in TGRL.

At 31 December 2018 the Company had the following subsidiaries, associates and joint ventures undertakings:

Name	Holding	Direct / Indirect	Registered office address
The Gunn Report Limited	100%	Direct	The Prow, 1 Wilder Walk, London, W1B 5AP, UK
World Advertising Research Center Limited	100%	Direct	The Prow, 1 Wilder Walk, London, W1B 5AP, UK
WARC LLC	100%	Direct	2711 Centerville Road, Suite 400, Wilmington, Delaware 19808, USA

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12. Debtors

	31 December 2018	31 March 2018 <i>Restated</i>
	£'000	£'000
Trade debtors, net of allowance for doubtful debts	2,276	1,679
Other debtors	93	49
Amounts receivable from Group undertakings	3,500	-
Prepayments and accrued income	488	275
Corporation tax	-	85
Total	6,357	2,088

Amounts due from Group undertakings are unsecured, non-interest bearing and are repayable on demand.

13. Creditors: falling due within one year

	31 December 2018	31 March 2018
	£'000	£'000
Trade creditors	232	38
Other taxation and social security	158	202
Corporation tax	53	-
Accruals	889	812
Amounts payable to Group undertakings	2,403	1,609
Other creditors	126	13
Total	3,861	2,674

14. Deferred taxation

Deferred taxation provided for at 19% (31 March 2018: 19%) in the financial statements is set out below:

	31 December 2018	31 March 2018
	£'000	£'000
Excess of taxation allowances over depreciation on fixed assets	35	28
Total	35	28

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15. Provisions for liabilities

	Property dilapidations £'000	Vacation pay £'000	Onerous contracts £'000	Total £'000
Cost				
At 1 April 2018	38	40	16	94
Released	-	(15)	-	(15)
Utilised	-	-	(16)	(16)
At 31 December 2018	38	25	-	63

The vacation pay provision represents holiday balances accrued as a result of services rendered in the current period and which employees are entitled to carry forward. The provision is measured as the salary cost payable for the period of absence. The onerous contract provision represents amounts outstanding on third party contracts for services or property that were no longer in use at the prior year end.

16. Called up share capital

	31 December 2018 £	31 March 2018 £
Allotted, issued and fully paid		
207,845 Ordinary shares of £0.0005 each	104	104

17. Dividends

£1,382,000 recognised and paid as distributions to ordinary shareholders in the year ended 31 March 2018 comprised an interim dividend of £6.65 per ordinary share. No dividends were paid in the current period.

18. Profit and loss account

	31 December 2018 £'000	31 March 2018 <i>Restated</i> £'000
Note		
At the beginning of the period/year	1,727	2,047
Profit for the period/year as recognised in the statement of comprehensive income	259	997
Dividends paid	-	(1,382)
Currency translation differences	(37)	65
At 31 December	1,949	1,727

During the period the Company changed its accounting policy in respect of costs associated with the development of the WARC.com website. The figures shown above have been restated to reflect this change in accounting policy and have resulted in increases to the balance on the profit and loss account of £165,000 as at 1 April 2016, £357,000 as at 1 April 2017, and £450,000 as at 31 December 2018. More details are given in note 23.

19. Operating leases

Non-cancellable operating lease rentals are payable as follows:

	Land and buildings	Land and buildings
	31 December 2018	31 March 2018
	£'000	£'000
Less than one year	383	399
Between one and five years	531	819
Total	914	1,218

20. Related party transactions

The company has taken advantage of the exemption granted by paragraph 33.1(a) of FRS102, Related Party Disclosures, not to disclose transactions with group companies which are wholly owned subsidiaries of the Ascential plc group.

21. Ultimate parent company

The immediate and controlling parent undertaking is Ascential UK Holdings Limited. Prior to 2 July 2018, the Company had no parent undertakings.

From 2 July 2018 and at the balance sheet date, the ultimate controlling party was Ascential plc. The results of the Company are included in the consolidated financial statements of Ascential plc. Copies of Ascential plc accounts can be obtained from the Company Secretary at The Prow, 1 Wilder Walk, London, W1B 5AP.

Prior to 2 July 2018, the ultimate controlling party was M Waterson.

22. Events after the reporting period

There were no reportable events after the reporting period.

23. Change in accounting policy

During the period the Company changed its accounting policy in respect of costs associated with the development of the WARC.com website. Prior to 1 April 2018, all website development costs were taken immediately to the statement of comprehensive income. The Directors consider that capitalisation of website development costs where permitted under FRS102 results in a better reflection of the allocation of costs against associated revenues in any given period. Permitted costs are now capitalised and amortised over three years.

In these financial statements, brought forward balances and comparative figures affected have been restated to reflect retrospective application of the new accounting policy from 1 April 2016, which is the earliest date for which it is practicable. The change in accounting policy has resulted in the following restatements:

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23. Change in accounting policy (continued)

	As previously stated	Impact	Restated
	£'000	£'000	£
At 1 April 2017:			
Intangible fixed assets (net book value)	618	165	783
Profit and loss account	1,882	165	2,047
Shareholder's funds	1,882	165	2,047
Year ended 31 March 2018:			
Amortisation charge	(137)	(109)	(246)
Intangible fixed asset (additions)	-	301	301
Operating profit	1,218	192	1,410
Tax charge on profit	(322)	(68)	(390)
Profit for the year	873	124	997
At 31 March and 1 April 2018:			
Intangible fixed assets (net book value)	481	357	838
Corporation tax debtor	153	(68)	85
Profit and loss account	1,438	289	1,727
Shareholder's funds	1,438	289	1,727