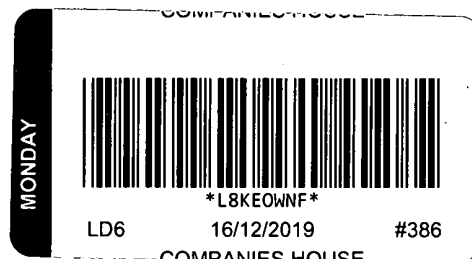


Company registration no. 3464980

TI Magazines Holdings Ltd (formerly IPC Magazines Holdings Limited)

Annual report and financial statements
for the 18 months ended 30 June 2019



Registered office: 6th Floor, 60 Gracechurch Street,
London, England, EC3V 0HR

TI Magazines Holdings Limited

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Strategic report

The directors present their strategic report for the 18 months ended 30 June 2019.

Until 15 March 2018, the company was a part of a group of undertakings whose main activity was magazine print and digital publishing. The principal operating company in this group TI Media Limited (formerly Time Inc. (UK) Ltd) was sold on 15 March 2018. The company acted as an intermediate holding company within the group

During the current year, the company has changed the end of its accounting period from 31 December to 30 June. As a result, these financial statements cover the eighteen months from 1 January 2018 to 30 June 2019.

The profit for the year amounted to £9.1m (2017: Loss - £12.7m) consisting of profit on disposal of fixed asset investment of £8.5m and net interest receivable of £0.6m (2017: net interest payable - £2.3m). Net assets at year end were £217.3m (2017: £294.2m). Given that the company was a holding company, the directors do not believe there are any key performance indicators.


On 31 January 2018, Time Inc. the company's ultimate parent company was acquired by Meredith Corporation, a publicly held media and marketing services company based in Des Moines, Iowa, USA.

On 15 March 2018, the company's subsidiary undertaking, TI Media Limited was acquired by Sapphire Bidco Limited which is controlled by Epiris Fund II, an institutional private equity fund controlled by Epiris GP Ltd, a company registered in Jersey.

On 11 June 2018 the company changed its name from IPC Magazines Holdings Limited to TI Magazines Holdings Limited.

The business risks facing the company are the same as those facing its ultimate parent company Meredith Corporation. A detailed description of these risks is set out in Meredith Corporation's 10-K Annual Report filing which is available online at the Meredith Corporation investor relations site: www.meredith.com.

Approved by the board of directors and signed on their behalf by:



JH Ceryanec
Director
6th Floor
60 Gracechurch Street
London
EC3V 0HR

9 December 2019

Directors' report

The directors present their report and the audited financial statements for the eighteen months ended 30 June 2019.

Dividends

Equity dividends of £86.0m were paid during the period (2017: £nil).

Directors

The directors during the year and subsequently were:

J H Ceryanec (appointed 15 February 2018)
J S Zieser (appointed 15 February 2018)
S D'Emic (resigned 31 January 2018)
M A Rich (resigned 13 March 2018)
S J May (resigned 13 March 2018)

The directors had no interest in the share capital of the company requiring disclosure under the Companies Act 2006.

Company Secretary

L E Klein (resigned 31 January 2018)

Directors' indemnity

The company has granted indemnities to its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. This qualifying third party indemnity provision was in force throughout the period and remains in force as at the date of approving the directors' report.

Disclosure of information to the auditors

As far as each person who was a director at the date of approving this report is aware there is no relevant information of which the company's auditors are unaware. Directors have taken all the steps they ought to take as directors to make themselves aware of relevant audit information and to establish that the company's auditors are aware of that information.

Directors' report (continued)

Going concern

Meredith Corporation, the company's ultimate parent company, has confirmed that, if required, it will provide financial support to the company during the year following the approval of the accounts. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, thus they consider that it is appropriate to prepare the financial statements on a going concern basis.

Events since the balance sheet date

On 24 September 2019 the loan payable of £8.9 mln to Link House Magazines Limited, an affiliated company was eliminated by means of a deed of release.

On 2 October 2019, the investment in Sapphire Topco Limited was sold for £0.2m

On 2 October 2019, the company received an amount of £2.5m as settlement of the escrow account disclosed in note 8.

Approved by the Board of Directors and signed on their behalf:



JH Ceryanec
Director
6th Floor
60 Gracechurch Street
London
EC3V 0HR

9 December 2019

Statement of directors' responsibilities

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

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

In preparing those 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 United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditor's report to the members of TI Magazines Holdings Limited

Opinion

We have audited the financial statements of TI Magazines Holdings Limited for the period ended 30 June 2019 which comprise the Income statement, the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes 1 to 14 including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2019 and of its profit for the 18 months then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102 'The Financial Reporting Standard applicable to 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)) an applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report below. 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 related 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this 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 in the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Independent Auditor's report to the members of TI Magazines Holdings Limited (continued)

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the Strategic Report or Directors' Report.

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

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

Responsibilities of directors

As explained more fully in the Statement of directors' responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and for such internal control as the directors determine is necessary to enable the preparation of the 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 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 <http://www.frc.org.uk/auditorsresponsibilities>.

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.



Andrew Brittain (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London UK
17 December 2019

TI Magazines Holdings Limited

Income statement

for the 18 months ended 30 June 2019

		18 months ended 30 June 2019 £'000	Year ended 31 December 2017 £'000
	Note		
Administrative expenses		(2)	-
Interest receivable and similar income	4	4,732	105
Interest payable and similar charges	5	(4,157)	(2,405)
Impairment of fixed asset investment		-	(324,797)
Profit on disposal of fixed asset investment		8,520	-
Dividend received		-	314,369
Profit / (loss) on ordinary activities before taxation		9,093	(12,728)
Tax on profit / (loss) on ordinary activities	6	-	-
Profit / (loss) for the period / year		9,093	(12,728)

All activities relate to continuing operations.

TI Magazines Holdings Limited

Statement of comprehensive income
for the 18 months ended 30 June 2019

	18 months ended 30 June 2019 £'000	Year ended 31 December 2017 £'000
Profit / (loss) for the period / year	9,093	(12,728)
Other comprehensive income	-	-
Total other comprehensive income	-	-
Total comprehensive income / (expense) for the period / year	<u>9,093</u>	<u>(12,728)</u>

TI Magazines Holdings Limited
Company registration no. 3464980

Statement of financial position
as at 30 June 2019

	Note	30 June 2019 £'000	31 December 2017 £'000
Fixed assets			
Investments in subsidiary undertakings	7	<u>50</u>	<u>80,550</u>
Debtors: amounts falling due within one year	8	336,949	314,474
Creditors: amounts falling due within one year	9	<u>(119,657)</u>	<u>(8,728)</u>
Net current assets		217,292	305,746
Creditors: amounts falling due after more than one year	10	<u>-</u>	<u>(92,047)</u>
Total net assets		<u><u>217,342</u></u>	<u><u>294,249</u></u>
Capital and reserves			
Called-up share capital	11	55	55
Share premium		45	45
Profit and loss account		<u>217,242</u>	<u>294,149</u>
Equity shareholders' funds		<u><u>217,342</u></u>	<u><u>294,249</u></u>

These financial statements were approved by the Board of Directors on 9 December 2019 and signed on their behalf:



JH Ceryanec
Director

TI Magazines Holdings Limited

Statement of changes in equity
for the 18 months ended 30 June 2019

	Profit and loss account £'000	Called-up share capital £'000	Share premium account £'000	Total equity £'000
At 1 January 2017	306,877	55	45	306,977
Total comprehensive loss for the year	<u>(12,728)</u>	<u>-</u>	<u>-</u>	<u>(12,728)</u>
At 31 December 2017	294,149	55	45	294,249
Total comprehensive loss for the period	9,093	-	-	9,093
Dividend paid	<u>(86,000)</u>	<u>-</u>	<u>-</u>	<u>(86,000)</u>
As at 30 June 2019	<u><u>217,242</u></u>	<u><u>55</u></u>	<u><u>45</u></u>	<u><u>217,342</u></u>

Notes to the financial statements

for the 18 months ended 30 June 2019

1 Accounting policies

Statement of compliance

TI Magazines Holdings Limited is a limited liability company incorporated in England. The registered office is 6th Floor, 60 Gracechurch Street, London, England, EC3V 0HR.

These financial statements have been prepared in accordance with Financial Reporting Standard 102 (FRS 102), a Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland and with the Companies Act 2006.

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

The financial statements are presented for the company as an individual undertaking. The company is not required to prepare group financial statements under section 400 of the Companies Act 2006 because its parent undertaking is established under the law of a member State of the European Union.

Under the provisions of FRS 102 section 1.12(b), the company has elected to make use of the exemption from the requirement to present a cash flow statement. The company is a qualifying entity because its ultimate parent company, Meredith Corporation., which is incorporated in the United States of America has prepared consolidated financial statements that include TI Magazines Holdings Limited which are publicly available.

Meredith Corporation, the company's ultimate parent company, has confirmed that, if required, it will provide financial support to the company during the year following the approval of the accounts. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future thus they consider that it is appropriate to prepare the financial statements on a going concern basis.

The financial statements have been prepared in pounds sterling, which is the functional currency of the company and are rounded to the nearest £'000.

Judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. The nature of estimation means that actual outcomes could differ from those estimates. The following judgements have had the most significant effect on amounts recognised in the financial statements.

Taxation

The company establishes provisions based on reasonable estimates for possible consequences of audits by the tax authorities. The amount of such provisions is based upon various factors such as experience with previous tax audits and differing interpretations of tax regulations by the company and the responsible tax authority.

Notes to the financial statements
for the 18 months ended 30 June 2019

1 Accounting policies (continued)

Fixed asset investments

Investments are shown at cost less provision, if appropriate, for any diminution in value.

Dividends

Dividends are recognised when the company's right to receive payment is established.

Financial instruments

The financial liabilities held by the company are basic financial instruments and were initially recognised at the transaction price. Subsequent to initial recognition, they are measured at amortised cost using the effective interest rate method. Debt instruments that are payable within one year are measured at the undiscounted amount of the cash or other consideration expected to be paid, net of impairment.

2 Directors and employees

The directors did not receive any emoluments for their qualifying services as directors of the company (2017: £nil).

The company had no other employees during the year (2017: nil).

3 Auditor's remuneration

The auditor's remuneration in the current financial period is included in the fee disclosed in the financial statements of International Publishing Corporation Limited. The auditor's remuneration in the preceeding financial year is included in the financial statements of TI Media Limited. The company made no other payments to the auditors.

4 Interest receivable and similar income

	18 months ended 30 June 2019 £'000	Year ended 31 December 2017 £'000
Interest receivable from group undertakings	4,726	105
Interest receivable on escrow account	6	-
	<u>4,732</u>	<u>105</u>

5 Interest payable and similar charges

	18 months ended 30 June 2019 £'000	Year ended 31 December 2017 £'000
Interest payable to group undertakings	<u>4,157</u>	<u>2,405</u>

Notes to the financial statements

for the 18 months ended 30 June 2019

6 Tax on profit / (loss) on ordinary activities

There is no tax charge based on the results for the current financial period or the preceding financial year.

Circumstances affecting total tax charge

The tax assessed on the loss on ordinary activities for the year differs from the standard rate of corporation tax in the UK of 19% (2017: 19.25%). The differences are reconciled below:

	30 June 2019 £'000	31 December 2017 £'000
Profit / (loss) on ordinary activities before tax	9,093	(12,728)
Tax on profit / (loss) on ordinary activities at standard rate	1,728	(2,450)
Factors affecting charge:		
Income not taxable	(1,619)	(60,516)
Impairment of fixed asset investment not tax deductible	-	62,523
Effects of group relief	(99)	333
Tax losses carried forward	(10)	110
Total tax expense	-	-

Factors affecting future tax charges

The Finance Act 2016 included legislation to reduce the main rate of corporation tax from 19% to 17% from 1 April 2020. The effect of this change on the deferred tax balances has been included in the figures within these accounts.

It is not yet possible to quantify the impact of these rate changes upon current tax.

Notes to the financial statements

TI Magazines Holdings Limited

Notes to the financial statements

7 Investment in subsidiary undertakings

	30 June 2019 £'000	31 December 2017 £'000
Shares in subsidiary undertaking		
At 1 January	80,550	405,347
Impairment of investment in TI Media Limited	-	(324,797)
Acquisition of investment in Sapphire Topco Limited	50	-
Acquisition of additional shares in TI Media Limited	8,609	-
Disposal of investment in TI Media Limited	(89,159)	-
At end of period / year	<u>50</u>	<u>80,550</u>

Until 15 March 2018 the company held a 100% interest in the in the ordinary share capital of TI Media Limited which was incorporated in Great Britain and registered in England and Wales.

TI Magazines Holdings Limited was an intermediate holding company of a group of undertakings whose main activity is magazine print and digital publishing. The principal operating company in the group was TI Media Limited. On 15 March 2018 the group's investment in TI Media Limited was sold to Sapphire Bidco Limited which is controlled by Epiris Fund II, an institutional private equity fund controlled by Epiris GP Limited, a company registered in Jersey. Prior to the disposal, the company increased its investment in TI Media Ltd by £8.6m in exchange for the transfer an inter-company receivable. On the same date as the disposal, the company acquired 5% of Sapphire Topco Limited, the new ultimate parent company of TI Media Limited.

8 Debtors: amounts falling due within one year

	30 June 2019 £'000	31 December 2017 £'000
Amounts owed to group undertaking	334,415	314,474
Amount held in Escrow account	<u>2,534</u>	<u>-</u>
	<u>336,949</u>	<u>314,474</u>

Interest on the group loans is payable at rate of 0.25% above three month pound sterling LIBOR.

On 15 March 2018, the company agreed to put £3.5m in escrow to protect the buyer of TI Media Limited from certain liabilities relating to property leases. In October 2018, £0.9m of the escrow fund was released, the balance has been released on 2 October 2019.

9 Creditors: amounts falling due within one year

	30 June 2019 £'000	31 December 2017 £'000
Amounts owed to group undertaking	<u>119,657</u>	<u>8,728</u>

Notes to the financial statements

for the 18 months ended 30 June 2019

9 Creditors: amounts falling due within one year (continued)

£104.9m consists of a loan note of £92.0m payable to TI UK Publishing Holdings Limited and interest accrued on this loan. The loan note of £92.0m was repayable on 14 July 2019, the parties agreed to extend the term of the loan to be repayable on demand. Interest is payable at a rate per annum equal to LIBOR plus an applicable margin of 2.25% and is payable quarterly in arrears or as may otherwise be agreed by the parties. The remaining balances are interest free and repayable on demand.

10 Creditors: amounts falling due after more than one year

	30 June 2019 £'000	31 December 2017 £'000
Amounts owed to group undertaking	-	92,047

11 Called-up share capital

	30 June 2019 £'000	31 December 2017 £'000
Called-up, allotted and fully paid 548,670,002 ordinary shares of £0.0001	55	55

12 Related party transactions

Related party loans have been disclosed in notes 8, 9 and 10 and interest due on these loans is disclosed in notes 4 and 5. A dividend of £86m was paid to International Publishing Corporation Limited.

13 Parent undertakings

The company's immediate parent undertaking is International Publishing Corporation Limited.

Until 31 January 2018 Time Inc., a company incorporated in the United States of America, was the ultimate parent undertaking of the smallest and largest group of undertakings of which the company was a member and for which group financial statements are drawn up. Copies of Time Inc.'s financial statements can be obtained from Meredith Corporation, 1716 Locust Street, Des Moines, Iowa, 50309, USA.

From 31 January 2018 Meredith Corporation, a company incorporated in the United States of America, was the ultimate parent undertaking of the smallest and largest group of undertakings of which the company was a member and for which group statements are drawn up. Copies of Meredith Corporation's financial statements can be obtained from Meredith Corporation, 1716 Locust Street, Des Moines, Iowa, 50309, USA.

Notes to the financial statements
for the 18 months ended 30 June 2019

14 Events after the reporting period

On 24 September 2019 the loan payable of £8.9m to Link House Magazines Limited, an affiliated company was eliminated by means of a deed of release.

On 2 October 2019, the investment in Sapphire Topco Limited was sold for £0.2m

On 2 October 2019, the company received an amount of £3.4 as settlement of the escrow account disclosed in note 8.