

WGSN LIMITED

Financial Statements
For the year ended 31 December 2015

Registered Number: 04858491

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WGSN LIMITED

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WGSN LIMITED

Directors, officers and auditor

For the year ended 31 December 2015

Directors	D Painter M Gradden J Papa Neto – appointed on 12 January 2015
Company secretary	S Looi
Auditor	KPMG LLP 15 Canada Square London E14 5GL
Registered office	The Prow 1 Wilder Walk London United Kingdom W1B 5AP
Company number	04858491

WGSN LIMITED

Strategic Report

For the year ended 31 December 2015

Principal activities and future developments

WGSN Limited ("the Company") is a leading online trend-analysis and research service providing creative and business intelligence for the apparel, style, design and retail industries. WGSN's large, globally-based editorial and design staff, noted for their significant industry experience, deliver insight and creative inspiration, real-time retail coverage, seasonal trend analysis, consumer research and business information.

The Company undertakes a periodic review of all its fixed assets to ensure alignment with external market prices and conditions.

Results and dividends

The results for the Company show a pre-tax profit of £1,467,000 (2014 restated: loss £6,408,000) for the year and sales of £34,854,000 (2014: £29,069,000).

Whilst 2014 was a year of significant change following the acquisition of Stylesight Inc., the entity capitalised on the enhanced single technology platform and saw the full benefit of synergies afforded by the integration of the two companies resulting in an increase in turnover of £5,785,000 (19.9%) year on year. Customer renewal rates improved to 87% from 84% in 2014 while value renewal rates were 91% compared to 88% in 2014.

No interim dividend was paid during the year (2014: £nil). The Directors do not recommend the payment of a final dividend (2014: £nil).

Principal risks and uncertainties

The Company is an information services business with a focus on the fashion and retail end-markets. A downturn in these end-markets could adversely impact the performance of the Company. Equally, an economic downturn in the global or 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 the increasing prevalence of internet sources offering free content. Senior management manage this risk by reviewing pricing strategies, monitoring of the external competitive environment and developing more valuable paid-for content.

Certain risks, including liquidity, foreign exchange, insurance and elements of operational risk are managed by a parent undertaking, Ascential Holdings Limited. The principal risks and uncertainties of Ascential Holdings Limited 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")

The main KPI's used by management to assess the health of the business are focused on subscription billings which comprise 95% of the annual turnover. The two main KPI's are value renewal rate (the % value of billings renewed in the year from existing customers) and the volume renewal rate (the % number of existing customers who retained their subscription in the year). In 2015 the business achieved a value renewal rate of 91% (2014: 88%) and volume renewal rate in 2014 of 87% (2014: 84%).

The KPIs above are not defined in the Financial Reporting Standard 101 Reduced Disclosure Framework.

Going concern

The Directors are satisfied that the Company has adequate resources to continue to operate for the foreseeable future.

Approved by the Board on 29 July 2016.



J Papa Neto
Director

Company registered number: 04858491

WGSN LIMITED

Statement of Directors' Responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements For the year ended 31 December 2015

The Directors present their report and the audited financial statements of the Company for the year ended 31 December 2015.

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 year are given below:

D Painter
M Gradden
J Papa Neto (appointed 12 January 2015)

Insurance of Directors

Throughout the year, the Directors' and Officers' liability insurance has been maintained by the parent Company, Ascential Holdings Limited.

Change of company name

The Company changed its name from Worth Global Style Network Limited to WGSN Limited on 15 January 2015.

Research and development

The Company has in-house software design and development teams whose primary focus is on the improvement and development of the Company's web based platforms. Costs relating to the development of this software are capitalised if they relate to internal capital projects.

Employees

The Company is committed to maintaining a working environment underpinned by decency and fairness and where equality and diversity is recognised, encouraged and valued. The Company gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job.

Where existing employees become disabled, it is the Company's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim. Opportunities are available to disabled employees for training, career development and promotion.

Donations

The Group became a Patron of The Prince's Trust in 2012 and to date our people have raised more than £195,000 to help disadvantaged young people have a better career start. 2015 was the Group's second year supporting Great Ormond Street Hospital for Sick Children in London. Internal Ambassadors and employees worked within their business units to raise £60,000 – taking the two year total to more than £150,000 - which paid for specialist staff and equipment at the world-famous, pioneering hospital.

The Company has not made any political donations during the year under review.

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 KPMG LLP will therefore continue in office.

Approved by the Board on 29 July 2016.



J Papa Neto
Director

Company registered number: 04858491

WGSN LIMITED

Statement of Directors' Responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements For the year ended 31 December 2015

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 101 *Reduced Disclosure Framework*.

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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WGSN LIMITED

We have audited the financial statements of WGSN Limited for the year ended 31 December 2015 set out on pages 6 to 23. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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

Respective responsibilities of directors and auditor

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic report and the Directors' report:

- we have not identified material misstatements in those reports; 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

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.



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

Date: 29 July 2016.

WGSN LIMITED**Profit and Loss Account and Other Comprehensive Income**
For the year ended 31 December 2015

	Note	2015 £'000	2014 Restated £'000
Continuing operations			
Turnover	2	34,854	29,069
Cost of sales		(3,401)	(2,772)
Gross profit		31,453	26,297
Administrative expenses		(30,226)	(32,579)
Operating profit / (loss)	3	1,227	(6,282)
Earnings before interest, tax, depreciation, amortisation and exceptional items (EBITDA)		3,319	(3)
Depreciation and amortisation	3	(2,050)	(2,616)
Disposal of tangible assets	3	(42)	(5)
Exceptional items	3	-	(3,658)
Operating profit / (loss)		1,227	(6,282)
Interest receivable and similar income	6	287	275
Interest payable and similar charges	7	(47)	(401)
Profit / (loss) on ordinary activities before taxation		1,467	(6,408)
Taxation of profit / (loss) on ordinary activities	8	(709)	898
Profit / (loss) for the year	17	758	(5,510)
Other comprehensive income			
Items that will not be reclassified to profit or loss:		-	-
Items that are or may be reclassified subsequently to profit or loss:		-	-
Total other comprehensive income		-	-
Comprehensive profit / (loss) for the year		758	(5,510)

WGSN LIMITED
Balance Sheet
As at 31 December 2015

	Note	2015 £'000	2014 Restated £'000
Fixed assets			
Goodwill	9	11,858	11,858
Other intangible assets	9	2,433	4,205
Tangible assets	10	57	254
Investments	11	4,135	4,132
Total fixed assets		18,483	20,449
Current assets			
Debtors	12	45,819	47,620
Cash at bank and in hand		333	346
Total current assets		46,152	47,966
Creditors: amounts falling due within one year	13	(21,063)	(25,455)
Net current assets		25,089	22,511
Total assets less current liabilities		43,572	42,960
Creditors: amounts falling due after one year	14	(350)	(496)
Net assets		43,222	42,464
Capital and reserves			
Called up share capital	15	12,145	12,145
Share premium	16	63	63
Profit and loss account	17	31,014	30,256
Shareholders' funds		43,222	42,464

The financial statements on pages 6 to 23 were approved by the Board of Directors on 29 July 2016 and were signed on its behalf by:



J Papa Neto
Director

Company registered number: 04858491

WGSN LIMITED**Statement of Changes in Equity
For the year ended 31 December 2015**

	Called up share capital	Share premium	Profit and Loss Account	Total Equity
	£'000	£'000	£'000	£'000
Balance at 1 January 2014	12,145	63	35,766	47,974
Total comprehensive income for the year (restated)	-	-	(5,510)	(5,510)
Balance at 31 December 2014 (restated)	12,145	63	30,256	42,464
Balance at 1 January 2015 (restated)	12,145	63	30,256	42,464
Total comprehensive income for the year	-	-	758	758
Balance at 31 December 2015	12,145	63	31,014	43,222

WGSN LIMITED

Notes to the accounts (continued) For the year ended 31 December 2015

1. Accounting policies

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

The Company is exempt by virtue of s400/s401/402/subject to the small companies regime 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 101 *Reduced Disclosure Framework* ("FRS 101"). The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 and effective immediately have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

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

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital, tangible fixed assets and intangible assets;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- An additional balance sheet for the beginning of the earliest comparative period following the transition from UK GAAP to FRS 101;
- Disclosures in respect of the compensation of Key Management Personnel; and
- Disclosures of transactions with a management entity that provides key management personnel services to the Company.
- Certain disclosures required by IFRS 3 *Business Combinations* in respect of business combinations undertaken by the Company in the current and prior periods including the comparative period reconciliation for goodwill.

In the transition to FRS 101, the Company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. An explanation of how the transition to FRS 101 has affected the reported financial position and financial performance of the Company is provided in note 23.

Measurement Convention

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements and in preparing an opening FRS 101 IFRS balance sheet at 31 December 2014 for the purposes of the transition to FRS 101 Adopted IFRSs.

Going concern

WGSN Limited is in a net assets position and has sufficient resources to pay its financial liabilities as and when they fall due. Since 8 February 2016, WGSN Limited is a member of Ascential plc group, which consists of the ultimate parent Ascential plc and its subsidiaries. Refer to note 21 and 22. The Ascential plc 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.

At 31 December 2015 the Company was a guarantor to bank loans held by its parent undertaking at the time, Eden Bidco Limited. On 12 February 2016 these loans were fully repaid. On 11 March 2016 the Company became a guarantor to the new term loan facilities ("New Facilities Agreement") held by the new ultimate parent entity, Ascential plc, refer to Note 21. The financial statements have been prepared on a going concern basis which assumes that the Ascential plc Group will be able to meet the mandatory repayment terms of the banking facilities held. At 31 December 2015, the Group was in compliance with all its financial covenants.

WGSN LIMITED

Notes to the accounts (continued) For the year ended 31 December 2015

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 Ascential plc Group 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.

Consolidation

As the Company is a wholly owned subsidiary of Ascential Holdings Limited, another body corporate registered in the Cayman Islands which has prepared consolidated accounts which include the Company, advantage has been taken of s400 of the Companies Act 2006 not to prepare Group accounts.

Trade and other debtors

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

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.

Intra-group financial instruments

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other Companies within its group, the Company considers these to be insurance arrangements and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

Goodwill

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units. It is not amortised but is tested annually for impairment. This is not in accordance with The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 which requires that all goodwill be amortised. The directors consider that this would fail to give a true and fair view of the profit for the year and that the economic measure of performance in any period is properly made by reference only to any impairment that may have arisen. It is not practicable to quantify the effect on the financial statements of this departure.

Impairment is measured by comparing the carrying value of the asset with the higher of the net realisable value and the value in use. The value in use is measured with reference to discounted cash flows based on future revenue and the Company's weighted average cost of capital. Any impairment charges are recognised in the profit and loss account for the year in which they arise. An impairment loss recognised for goodwill shall not be reversed in a subsequent period if, and only if, the reasons for the impairment have ceased to apply.

Investments

Investment in subsidiary undertakings are stated at cost less provisions for impairment.

Depreciation and amortisation

The cost of intangible and tangible fixed assets less estimated residual value on disposal is written down evenly over their expected useful lives as follows:

Office equipment and fittings	- 3 to 5 years
Software	- 1 to 5 years
Leasehold improvements	- 3 to 15 years

No depreciation is provided against assets under the course of construction.

Provision is made against the carrying value of tangible fixed assets where impairment in value is deemed to have occurred.

Other intangible assets

Purchase of software or direct costs relating to internal development of software are capitalised and amortised over their anticipated useful lives.

Expenditure on research activities is recognised in the profit and loss account as an expense as incurred.

WGSN LIMITED

Notes to the accounts (continued)

For the year ended 31 December 2015

Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Company intends and has the technical ability and sufficient resources to complete development, future economic benefits are probable and if the Company can measure reliably the expenditure attributable to the intangible asset during its development. Development activities involve a plan or design for the production of new or substantially improved products or processes. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads and capitalised borrowing costs.

Other development expenditure is recognised in the profit and loss account as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses.

Foreign currencies

Transactions in foreign currencies are initially recorded at the currency rate applicable at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are re-translated at the currency rate of exchange applicable at the balance sheet date. All differences are taken to the income statement. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate in force at the date of the initial transaction.

Business combinations

All unincorporated business combinations are accounted for by applying the acquisition method. Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the company.

The Company measures goodwill at the acquisition date as:

- the fair value of the consideration (excluding contingent consideration) transferred; plus
- estimated amount of contingent consideration (see below); plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, this is recognised and separately disclosed on the face of the balance sheet as negative goodwill. Costs related to the acquisition, other than those associated with the issue of debt or equity securities, are expensed as incurred.

Consideration which is contingent on future events is recognised based on the estimated amount if the contingent consideration is probable and can be measured reliably. Any subsequent changes to the amount are treated as an adjustment to the cost of the acquisition.

Impairment excluding deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

WGSN LIMITED

Notes to the accounts (continued)

For the year ended 31 December 2015

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units, or ("CGU"). Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is CGUs that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed if and only if the reasons for the impairment have ceased to apply.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Operating leases

Rental costs under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease. Lease incentives received are recognised in the profit and loss account as an integral part of the total lease expense.

Employee Benefits

Defined contribution plans

The Company operated a defined contribution pension scheme during the year. A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. For the defined contribution scheme, contributions payable are charged to the income statement and included in staff costs as an operating expense as incurred.

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.

WGSN LIMITED

Notes to the accounts (continued)

For the year ended 31 December 2015

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.

Turnover

Revenue is recognised when the significant risks and rewards of ownership have been transferred to a third party, or for services provided, at the point when it is probable that the economic benefits will flow to the Company and when the amount of revenue can be reliably measured.

Revenue is measured at the fair value of the consideration and represents amounts receivable for services and goods provided in the normal course of business, net of discounts, custom duties and sales taxes.

Subscription revenue is recognised in equal monthly instalments over the period of the subscription. Pre-paid subscription revenues are shown as deferred income and released to the income statement over the life of the subscription.

2. Turnover

Revenue relates to the provision of information services. Turnover is primarily derived from subscription revenue. An analysis of turnover by geographical market based on customer location is given below:

	2015 £'000	2014 £'000
United Kingdom	9,459	7,306
Other Europe	13,890	13,157
Asia Pacific	11,319	8,304
Middle East and Africa	186	302
Total	34,854	29,069

3. Operating profit (2014: loss)

Operating profit (2014: loss) is stated after charging:

	2015 £'000	2014 £'000
Staff costs	5 12,175	14,450
Operating lease rentals		
- plant and equipment	57	60
- property	401	409
Net foreign exchange loss	91	132
Depreciation of tangible assets and amortisation of other intangibles	2,050	2,616
Loss on disposal of fixed assets	42	5
Exceptional items	-	3,658
Fees for the audit of the Company	18	15

Exceptional items are defined as items which relate to events or transactions that fall outside the usual activities of the Company that in aggregate need to be disclosed separately if the financial statements are to give a true and fair view. In 2014 these related to restructuring and reorganisation of the business, predominantly surrounding the integration of Stylesight Inc.

WGSN LIMITED

Notes to the accounts (continued)

For the year ended 31 December 2015

Amounts receivable by the Company's auditor and its associates in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's parent, Ascential Holdings Limited.

4. Remuneration of Directors**(a) Directors' emoluments**

	2015	2014
	£'000	£'000
Aggregate emoluments	-	145
Post-employment benefits	-	21
Compensation for loss of office	-	448
Total	-	614

(b) Highest paid Director

	2015	2014
	£'000	£'000
Aggregate emoluments	-	145
Post-employment benefits	-	21
Compensation for loss of office	-	448
Total	-	614

During the year no Directors were employed by the Company. In 2014 one Director, whose employment was terminated during the year, received remuneration for their services. The other Directors' services were incidental to their service to the Group as a whole and no allocation has been made to the Company.

5. Staff numbers and costs**(a) Employees**

The average monthly number of staff (including executive Directors) employed by the Company during the year is as follows:

By job function	2015	2014
Cost of sales	98	127
Sales and marketing	99	104
Other administrative functions	22	26
Total	219	257

(b) Costs (including Directors' emoluments)

	2015	2014
	£'000	£'000
Wages and salaries	10,704	12,715
Social security costs	1,269	1,468
Other pension costs	202	267
Total	12,175	14,450

WGSN LIMITEDNotes to the accounts (continued)
For the year ended 31 December 2015**(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 year it amounted to £202,000 (2014: £267,000). The pension scheme is administered by Ascential Group Limited, an intermediary parent undertaking.

6. Interest receivable and similar income

	2015	2014
	£'000	£'000
Interest income on loans to Group undertakings	138	275
Net foreign exchange gain	149	-
Total	287	275

The interest charged on loans to Group undertakings is based on the LIBOR rate.

7. Interest payable and similar charges

	2015	2014
	£'000	£'000
Interest income	47	14
Net foreign exchange loss	-	387
Total	47	401

8. Tax on profit / (loss) on ordinary activities

	2015	2014
	£'000	£'000
Current tax		
UK corporation tax on profit / (loss) for the year	(43)	-
Corporation tax – prior year adjustment	42	191
Overseas taxes – current year	180	219
Total current tax	179	410
Deferred tax		
Deferred tax – current year	341	(1,268)
Deferred tax – prior year	(7)	(40)
Deferred tax – impact of rate changes	196	-
Total deferred tax charge / (credit)	530	(1,308)
Total tax charge / (credit)	709	(898)

Factors affecting the tax charge for the current year:

The tax assessed for the year is higher (2014: 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:

WGSN LIMITED

Notes to the accounts (continued)
For the year ended 31 December 2015

	2015 £'000	2014 £'000
Profit / (loss) before tax	1,467	(6,408)
Tax charge / (credit) at 20.25% (2014: tax credit 21.5%)	297	(1,378)
Non-deductible permanent items	4	6
Non-deductible exceptional costs	-	9
Overseas taxes	180	219
Impact of rate changes	192	95
Corporation tax – prior year adjustment	36	151
Current tax charge for the year	709	(898)

Factors that may affect future tax charges:

The standard rate of corporation tax in the UK reduced from 21% to 20% with effect from 1 April 2015. Accordingly the Company's profits for this accounting year are taxed at an effective rate of 20.25%. The 2015 Autumn Statement announcement included a proposal to reduce the main rate of corporation tax to 19% and 18% from 1 April 2017 and 1 April 2020 respectively. As these reductions were substantively enacted, in Finance (No.2) Act 2015, by the balance sheet date, the deferred tax assets and liabilities have been measured at the reduced applicable when the assets and liabilities are forecast to reverse.

9. Goodwill and other Intangibles

	Goodwill £'000	Software £'000	Total other Intangibles £'000
At 1 January 2015	11,858	14,089	14,089
Additions	-	44	44
Disposals	-	(66)	(66)
At 31 December 2015	11,858	14,067	14,067
Amortisation			
At 1 January 2015 (Restated)	-	(9,884)	(9,884)
Provided during the year	-	(1,774)	(1,774)
Disposals	-	24	24
At 31 December 2015	-	(11,634)	(11,634)
Net book value			
At 31 December 2015	11,858	2,433	2,433
At 31 December 2014 (Restated)	11,858	4,205	4,205

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.

Capitalised software (development costs) are not treated as realised losses for the purpose of determining the Company's distributable profits as the costs meet the conditions requiring them to be treated as an asset in accordance with IAS 38.

WGSN LIMITED

Notes to the accounts (continued)

For the year ended 31 December 2015

10. Tangible fixed assets

	Leasehold Improvements £'000	Office equipment and fittings £'000	Total £'000
Cost			
At 1 January 2015	46	968	1,014
Additions	55	24	79
Disposals	-	(3)	(3)
At 31 December 2015	101	989	1,090
Depreciation			
At 1 January 2015	(25)	(735)	(760)
Provided during the year	(21)	(255)	(276)
Disposals	-	3	3
At 31 December 2015	(46)	(987)	(1,033)
Net book value			
At 31 December 2015	55	2	57
At 31 December 2014	21	233	254

11. Investments

	2015 £'000	2014 £'000
At 1 January 2015	4,132	4,132
Movement for the year	3	-
At 31 December 2015	4,135	4,132

At 31 December 2015, the Company had the following direct and indirect subsidiary undertakings:

Company Name	Country of registration	Direct / indirect	Percentage ordinary shareholding / interest
Edware 174	England & Wales	Direct	100%
Worth Global Style Network Limited	England & Wales	Direct	100%
WGSN, Inc.	USA	Direct	100%
CTIC WGSN China Limited	People's Republic of China	Direct	49%
WGSN Group Trend Forecasting Moda Danışmanlık Hizmetleri Limited	Turkey	Direct	100%
WGSN Asia Pacific Limited	Hong Kong	Direct	100%
WGSN Intelligence España S.L.	Spain	Direct	100%
WGSN (Pty) Limited	South Africa	Direct	100%
Stylesight Limited	Hong Kong	Indirect	100%
Stylesight Europe Limited	England & Wales	Indirect	100%
Money2020, LLC	USA	Indirect	100%
Planet Retail USA LLC	USA	Indirect	100%

The accompanying notes form part of the accounts.

WGSN LIMITED

Notes to the accounts (continued)
For the year ended 31 December 2015

Stylesight Information Technology (Shanghai) Company Limited	People's Republic of China	Indirect	100%
Retailnet Group, LLC	USA	Indirect	100%

12. Debtors

	2015 £'000	2014 £'000
Trade debtors, net of the allowance for doubtful debts	6,966	7,064
Other debtors	287	425
Amounts receivable from Group undertakings	35,687	35,913
Prepayment and accrued income	113	922
Deferred tax asset	2,766	3,296
Total	45,819	47,620

	2015 £'000	2014 £'000
Due within one year	45,819	47,620
Due after more than one year	-	-
Total	45,819	47,620

Amounts due from Group undertakings are unsecured, bear interest at the LIBOR rate and are repayable on demand. Included within the amounts receivable from Group undertakings is the cash swept daily by the intermediary parent company Ascential Group Limited. There is a cash sweeping agreement in place between entities within the Ascential Group Limited group.

The deferred tax asset, see tables below, has arisen as a result of accelerated capital allowances, tax losses and other short term timing differences. The Directors consider that it is more likely than not that there will be sufficient taxable profits in the future such as to realise the deferred tax asset and therefore the asset has been recognised in these financial statements.

	2015 £'000	2014 £'000
Accelerated capital allowances	2,763	2,575
Tax losses	-	714
Other short term timing differences	3	7
Total deferred tax asset	2,766	3,296

	2015 £'000	2014 £'000
Balance at the start of the period	3,296	1,984
Transfers	-	4
Deferred tax (charge) / credit in profit and loss account for the period	(334)	1,308
Impact of rate change	(196)	-
Balance at the end of the period	2,766	3,296

WGSN LIMITEDNotes to the accounts (continued)
For the year ended 31 December 2015**13. Creditors: amounts falling due within one year**

	2015 £'000	2014 £'000
Trade creditors	451	861
Amounts payable to Group undertakings	1,057	3,560
Other taxation and social security	447	681
Accruals	1,651	3,555
Deferred income	17,265	16,798
Other creditors	192	-
Total	21,063	25,455

Amounts owed to Group undertakings are unsecured, bear interest at the LIBOR rate and are repayable on demand.

14. Creditors: amounts falling due after one year

	2015 £'000	2014 £'000
Deferred income	350	496

Deferred income relates to subscription revenue, where cash has been received as payment for information services not due to be provided within 12 months of the year end.

15. Called up share capital

	2015 £'000	2014 £'000
Allotted, issued and fully paid		
1,200,000 Ordinary shares of 10p each	120	120
250,151 Class 'A' Ordinary shares of 10p each	25	25
12,000,000 Preference shares of £1 each	12,000	12,000
Total	12,145	12,145

The ordinary shares confer on the holders thereof, voting rights, an entitlement to dividends as recommended by the Directors and the right to share in the surplus on a winding up after all liabilities and participation rights of other classes of shares have been satisfied. The 'A' Ordinary shares do not carry an entitlement to receive notice of or to attend and vote at general meetings of the Company. In all other respects, the Ordinary shares and 'A' Ordinary shares rank pari-passu.

The preference shares are non-cumulative and non-redeemable. The preference shares do not confer on the holders thereof, an entitlement to receive notice of or to attend and vote at general meetings of the Company; it confers the right, in priority to any payment by way of dividend to the holders of any shares in the capital of the Company. Furthermore, subject to the provisions of the Companies Act and the Articles of Association of the Company, the preference shares may be converted into ordinary shares.

16. Share premium

	2015 £'000	2014 £'000
At 1 January 2015	63	63
Movement for the year	-	-
At 31 December 2015	63	63

The accompanying notes form part of the accounts.

WGSN LIMITED

Notes to the accounts (continued)

For the year ended 31 December 2015

17. Profit and loss account

	2015	2014
	£'000	Restated
		£'000
At 1 January	30,256	35,766
Profit / (loss) for the year as recognised in the profit and loss account	758	(5,510)
At 31 December	31,014	30,256

18. Operating leases

Non-cancellable operating lease rentals are payable as follows:

	Land and buildings	Other assets	Land and buildings	Other assets
	2015	2015	2014	2014
	£'000	£'000	£'000	£'000
Not later than one year	371	-	385	-
Later than one year but not more than five	338	-	229	-
More than five years	-	-	-	-
	709	-	614	-

19. Commitments and contingencies

The Company has guaranteed the performance of obligations and associated payments due by certain of its fellow Group undertakings under the banking arrangements entered into on 28 April 2015. The Company and certain of its fellow Group undertakings acceded to the banking arrangements of Ascential Holdings Limited and Eden Bidco Limited. Under these arrangements, the Company and those Group undertakings have access to the funding provided, and have in turn provided security over assets and investment, and are jointly and severally required to meet the performance obligations and associated payments, and to comply with the covenants, defined in the facility agreements. Refer to Note 20 (Events after reporting period) for all future banking arrangements.

During the year the Company was a member of the Group cash pooling arrangement. This allows the Group to combine the liquidity of companies within the Group in order to distribute such cash centrally as required.

The Company is registered with H.M. Revenue & Customs as a member of the Ascential Limited Group for value added tax purposes and is therefore jointly and severally liable on a continuing basis for amounts owing by other members of the Group in respect of their value added tax liabilities.

The Company had capital commitments of £43,000 at 31 December 2015 (2014: £511,000) relating to implementation contractors working on various product development projects for the Company.

The Company has a commitment as guarantor for WGSN inc, in regards to the lease over the office space in New York.

20. Related party transactions

The Company is exempt from disclosing other related party transactions as they are wholly owned by a member of Ascential Holding Limited. There were no other reportable related party transactions during the year.

WGSN LIMITED

Notes to the accounts (continued) For the year ended 31 December 2015

21. Ultimate parent company

The immediate and controlling parent undertaking is WGSN Group Limited.

The ultimate controlling party at 31 December 2015 was Eden 2 & Cie SCA. This was a joint venture between the Apax Europe VII Fund, which is advised by Apax Partners LLP, incorporated in England and Wales, and Guardian Media Group plc, incorporated in England and Wales. Guardian Media Group's ordinary shares were all owned by The Scott Trust Limited.

At 31 December 2015, the largest group in which the results of the Company are consolidated is that headed by Ascential Holdings Limited, incorporated in the Cayman Islands. The smallest group in which they are consolidated is that headed by Ascential Group Limited, incorporated in England and Wales. Copies of Ascential Holdings Limited accounts can be obtained from the Company Secretary at The Prow, 1 Wilder Walk, London, W1B 5AP.

On 8 February 2016 Ascential plc became the ultimate controlling party of the Company by acquiring the entire issued share capital of and certain voting beneficiary certificates (having no economic monetary value) in, Eden 2 & Cie S.C.A., other than the one unlimited share of negligible value held by Eden 2 S.a.r.l., and the entire issued share capital of Eden 2 S.a.r.l.

22. Events after the reporting period

On 8 February 2016 Ascential plc became the ultimate controlling party of the Company by acquiring the entire issued share capital of and certain voting beneficiary certificates (having no economic monetary value) in, Eden 2 & Cie S.C.A., other than the one unlimited share of negligible value held by Eden 2 S.a.r.l., and the entire issued share capital of Eden 2 S.a.r.l.

On 12 February 2016 Ascential plc was admitted to trade on the main market for the listing of securities on the London Stock Exchange and the associated Offer for Shares (the "Offer") raising gross proceeds of £200 million.

On 12 February 2016, Ascential plc repaid all amounts outstanding on the existing bank loans (the bank loans consisted of a US\$323m and €300m term loan maturing in April 2022 and a £75m revolving credit facility maturing in April 2021) to which WGSN Limited was a guarantor.

On 12 February 2016, Ascential plc entered into a New Facilities Agreement of £66 million, €171 million and \$96 million and a revolving credit facility of £95 million. On 11 March 2016, WGSN Limited was identified as a guarantor to the New Facilities Agreement held by Ascential plc.

23. Explanation of transition to FRS 101 from old UK GAAP

As stated in Note 1, these are the Company's first financial statements prepared in accordance with FRS101. The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended 31 December 2015, the comparative information presented in these financial statements for the year ended 31 December 2014 and in preparation of an opening FRS 101 balance sheet at 1 January 2014 (the Company's date of transition).

In preparing its FRS 101 balance sheet, the Company has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting (UK GAAP). An explanation of how the transition from UK GAAP to FRS 101 has affected the Company's financial position, financial performance and cash flows is set out in the table on the following page.

WGSN LIMITED

Notes to the accounts (continued)

For the year ended 31 December 2015

Reconciliation of Balance Sheet		1 st January 2014			31 st December 2014		
		UK GAAP	Effect of transition to FRS 101	FRS 101	UK GAAP	Effect of transition to FRS 101	FRS 101
Note		£'000	£'000	£'000	£'000	£'000	£'000
Fixed assets							
Goodwill	a	11,858	-	11,858	10,656	1,202	11,858
Other Intangible assets	a	-	3,183	3,183	-	4,205	4,205
Tangible assets	a	3,387	(3,183)	204	4,459	(4,205)	254
Investments		4,132	-	4,132	4,132	-	4,132
Total fixed assets		19,377	-	19,377	19,247	1,202	20,449
Current assets							
Debtors		68,100	-	68,100	47,620	-	47,620
Cash at bank and in hand		211	-	211	346	-	346
Total current assets		68,311	-	68,311	47,966	-	47,966
Creditors: amounts falling due within one year		(38,924)	-	(38,924)	(25,455)	-	(25,455)
Net current assets		29,387	-	29,387	22,511	-	22,511
Total assets less current liabilities		48,764	-	48,764	41,758	1,202	42,960
Creditors: amounts falling due after one year		(790)	-	(790)	(496)	-	(496)
Net assets		47,974	-	47,974	41,262	1,202	42,464
Capital and reserves							
Called up share capital		12,145	-	12,145	12,145	-	12,145
Share premium		63	-	63	63	-	63
Profit and loss account	a	35,766	-	35,766	29,054	1,202	30,256
Shareholders' funds		47,974	-	47,974	41,262	1,202	42,464

Notes to the above reconciliation of equity

- a) The above is the effect of the transition from old UK GAAP to FRS 101. FRS 101 requires companies to prepare the comparatives of financial statements under the new regime for the period beginning on or after 1 January 2014. Under FRS101 there is an exemption available for adjusting for pre 1 January 2014 balances from old UK GAAP. The Company has applied the exemption available under FRS 101 and has not adjusted comparatives prior to 1 January 2014. The only adjustments required for the transition to FRS 101 is the reversal of amortisation of goodwill and the reclassification of all capitalised software from tangible assets to other intangible assets.

WGSN LIMITED

Notes to the accounts (continued)

For the year ended 31 December 2015

Reconciliation of profit	Note	UK GAAP £'000	Effect of transition to FRS 101 £'000	FRS 101 £'000
Continuing operations				
Turnover		29,069	-	29,069
Cost of sales		(2,772)	-	(2,772)
Gross profit		26,297	-	26,297
Administrative expenses	a	(33,781)	1,202	(32,579)
Operating loss		(7,484)	1,202	(6,282)
Earnings before interest, tax, depreciation, amortisation and exceptional items (EBITDA)		(3)	-	(3)
Depreciation and amortisation	a	(3,818)	1,202	(2,616)
Disposal of fixed assets		(5)	-	(5)
Exceptional items		(3,658)	-	(3,658)
Operating loss		(7,484)	1,202	(6,282)
Interest receivable and similar income		275	-	275
Interest payable and similar charges		(401)	-	(401)
Loss on ordinary activities before taxation		(7,610)	1,202	(6,408)
Taxation of loss on ordinary activities		898	-	898
Loss for the year	a	(6,712)	1,202	(5,510)

Notes to the above reconciliation of (loss) / profit

- a) The above is the effect of the transition from old UK GAAP to FRS 101. FRS 101 requires companies to prepare the comparatives of financial statements under the new regime for the period beginning on or after 1 January 2014. Under FRS101 there is an exemption available for adjusting for pre 1 January 2014 balances from old UK GAAP. The Company has applied the exemption available under FRS 101 and has not adjusted comparatives prior to 1 January 2014. The only effect of the transition to FRS 101 is the reversal of amortisation of goodwill.