Registered number: 06189487

IMMEDIATE MEDIA COMPANY LONDON LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

IMMEDIATE MEDIA COMPANY LONDON LIMITED

COMPANY INFORMATION

Directors	Thomas Bureau Kevin Langford Stephen Lavin
Registered number	06189487
Registered office	Vineyard House 44 Brook Green Hammersmith London W6 7BT

IMMEDIATE MEDIA COMPANY LONDON LIMITED

CONTENTS

IMMEDIATE MEDIA COMPANY LONDON LIMITED

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

Introduction

The Directors present the Strategic Report of Immediate Media Company London Limited for the year ended 31 December 2018.

Principal activities

The principal activity of the Company is the development and exploitation of the Company's cross media brands.

Business review

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

The Company operates the London based activities of Immediate Media's award winning special interest content and platform business, which creates compelling content that enhances the way people engage with what they love.

On 31 August 2018 the Company acquired BBC Good Food, the UK market-leading media food brand, establishing the Company as the largest food media publisher in the UK. The acquisition is an opportunity to build on experience and relationships developed previously as the BBC's contract-publisher for the brand and exploit its strong digital offering, as consumers move away from print products in the long term. The acquisition was part-funded via a £20 million loan from the Company's ultimate controlling party, *Burda Gesellschaft mit beschränkter Haftung* (Hubert Burda Media), and continued the Company's development as it looks to accelerate its growth through strategic acquisitions and product development.

On 1 January 2018 the trade and assets of one the Company's subsidiaries, Hitched Limited, were hived up into the Company. This followed the relocation of Hitched's staff and operations from their Camberley base to the Company's London office at the end of 2017, to sit alongside the London Weddings team as part of the Company's strategic focus on digital platform growth.

Financial key performance indicators

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

	2018	*2017*
	£m	*£m*
Turnover	**138.2**	*127.1*
EBITDA	**39.7**	*34.9*
EBITDA margin	**28.7%**	*27.5%*

EBITDA is equal to operating profit before restructuring costs, amortisation and depreciation.

Turnover and EBITDA were higher in the year to 31 December 2018 than in the year to 31 December 2017 - compared to 2017, turnover grew 8.7% from £127.1 million to £138.2 million. EBITDA grew strongly in 2018 by 13.8%, from £34.9 million to £39.7 million, with EBITDA margin also improving. Perfomance was driven by continued revenue growth from the Company's strong print and digital portfolio, the acquisition of BBC Good Food and also from the hive up of the Hitched business into the Company.

The Company also monitors digital visitors and engagement, print and digital circulation and readership numbers. The Company continues to trade profitably and to execute its strategies of providing its customers with high quality content across a wide range of platforms, both print and digital.

On 15 March 2017 the Group headed by Vancouver Topco Limited refinanced its debt facilities at more favourable rates, following the acquisition by Hubert Burda Media on 11 January 2017. The Company is a guarantor to this loan.

Principal Risks and Uncertainties

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

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

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

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

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

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

Kevin Langford
Director

Date: 26 April 2019

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

The Directors present their report and the financial statements for the year ended 31 December 2018.

Results and dividends

The profit for the year, after taxation, amounted to £16,379,000 *(2017: £12,285,000).*

No dividends have been declared or paid during the year to 31 December 2018 (*2017: £nil*).

Directors

The Directors who served during the year were:

Thomas Bureau
Kevin Langford
Stephen Lavin

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

Political and charitable contributions

The Company did not make any political donations or incur any political expenditure during the year (*2017: £nil*).

The Company made charitable donations during the year of £10,296 (*2017: £26,287*).

Going Concern

On 15 March 2017 the debt facilities in place at the balance sheet date were refinanced and rolled over into a new facility. The total bank facility available to the Group at the balance sheet date is £92 million. The Company is a guarantor to the loans held by its immediate parent company, Immediate Media Company Limited, and the facility expires in March 2022.

The financial covenants of this facility include cash flow cover and leverage. The Company has prepared trading forecasts for the 12 month period ending 30 April 2020; these indicate that there is sufficient headroom against all covenants for a period of not less than 12 months from the date of approval of these financial statements.

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

Employee involvement

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

Research and development activities

It is a strategic priority of the business to understand its customer base and to develop high quality print and digital products for this customer base. The business therefore invests in improving its knowledge of its customer base and its product development function and activity. Total research and development expenditure incurred during the year was £5,612,000 (*2017: £3,990,000*), which includes £4,958,000 of capital expenditure (*2017: £3,285,000*).

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018

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 auditors are unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Post balance sheet events

In January 2019 the Company acquired 100% of the share capital of the Upper Street Events group, one of the UK's leading producers of consumer enthuasiast events.

The Company is investing in new leasehold premises at Eagle House, Bristol, for a fellow subsidiary, Immediate Media Company Bristol Limited, part of the group headed by Vancouver Topco Limited. Immediate Media Company Bristol Limited will move into the new office space in the summer of 2019.

Auditors

The auditors, KPMG LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

Kevin Langford
Director

Date: 26 April 2019

Vineyard House
44 Brook Green
Hammersmith
London
W6 7BT

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR 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 the Directors have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- asses the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IMMEDIATE MEDIA COMPANY LONDON LIMITED

Opinion

We have audited the financial statements of Immediate Media Company London Limited ("the Company") for the year ended 31 December 2018 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, and related notes, including the accounting policies in note 2.

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 UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as recoverability of goodwill, intangible assets and inventories and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the Company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the Company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease their operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model, including the impact of Brexit, and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IMMEDIATE MEDIA COMPANY LONDON LIMITED

Strategic Report and Directors' Report

The Directors are responsible for the Strategic Report and the Directors' Report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the Strategic Report and the Directors' Report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

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

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

Directors' responsibilities

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

Auditor's responsibilities

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IMMEDIATE MEDIA COMPANY LONDON LIMITED

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

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.

Frederic Caharel

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

Date: 26 April 2019

IMMEDIATE MEDIA COMPANY LONDON LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 £000	*2017 £000*
Turnover		**138,160**	*127,092*
Cost of sales		**(39,418)**	*(37,687)*
Gross profit		**98,742**	*89,405*
Distribution costs		**(12,812)**	*(12,494)*
Administrative expenses excluding restructuring, amortisation, depreciation and impairment		**(46,278)**	*(42,027)*
Operating profit before restructuring, amortisation and depreciation	5	**39,652**	*34,884*
Restructuring costs and provisions		**(5,589)**	*(12,988)*
Amortisation, depreciation and impairment		**(7,849)**	*(5,688)*
Total operating profit	5	**26,214**	*16,208*
Income from shares in group undertakings	9	**104**	*345*
Interest receivable and similar income	10	**742**	*755*
Interest payable and expenses	11	**(222)**	*-*
Profit before tax		**26,838**	*17,308*
Tax on profit	12	**(6,126)**	*(5,023)*
Profit for the financial year		**20,712**	*12,285*

The notes on pages 12 to 37 form part of these financial statements.

There was no other comprehensive income for 2018 (*2017: £nil*).

IMMEDIATE MEDIA COMPANY LONDON LIMITED
REGISTERED NUMBER: 06189487

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	2018 £000	*2017 £000*
Fixed assets			
Intangible assets	13	**39,796**	*5,147*
Tangible assets	14	**3,986**	*3,375*
Investments	15	**133**	*9,138*
		43,915	*17,660*
Current assets			
Stocks	17	**2,966**	*2,768*
Debtors	18	**104,621**	*91,250*
Cash at bank and in hand	19	**7,162**	*4,863*
		114,749	*98,881*
Creditors: amounts falling due within one year	20	**(40,897)**	*(35,455)*
Net current assets		**73,852**	*63,426*
Total assets less current liabilities		**117,767**	*81,086*
Creditors: amounts falling due after more than one year	21	**(20,000)**	-
Provisions for liabilities			
Deferred Taxation	23	**(1,358)**	*(810)*
Provisions	24	**(63)**	*(309)*
		(1,421)	*(1,119)*
Net assets		**96,346**	*79,967*
Capital and reserves			
Called up share capital	25	**-**	-
Profit and loss account		**96,346**	*79,967*
		96,346	*79,967*

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

Kevin Langford
Director

Date: 26 April 2019

The notes on pages 12 to 37 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD TO 31 DECEMBER 2018

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2017	-	67,682	67,682
Comprehensive income for the year			
Profit for the year	-	12,285	12,285
Total comprehensive income for the year	-	12,285	12,285
At 1 January 2018	-	79,967	79,967
Comprehensive income for the year			
Profit for the year	-	20,712	20,712
Total comprehensive income for the year	-	20,712	20,712
Charged to profit and loss account on hive up of subsidiary	-	(4,333)	(4,333)
At 31 December 2018	-	96,346	96,346

1. General information

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

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Vancouver Topco Limited as at 31 December 2018 and these financial statements may be obtained from Registrar of Companies, Companies House, Cardiff, CF14 3UZ.

2.3 Exemption from preparing consolidated financial statements

The Company is a parent company that is also a subsidiary included in the consolidated financial statements of the group UK parent undertaking, Vancouver Topco Limited, established under the law of an EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

2.4 Associates and joint ventures

Associates and Joint Ventures are held at cost less impairment.

2. Accounting policies (continued)

2.5 Going concern

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

The Company is a guarantor to a loan held by its immediate parent company, Immediate Media Company Limited, whose principal facility expires in 2022.

On 15 March 2017 the debt facilities in place at that date were refinanced and rolled over into a new facility. The total bank facility available to the Group at the balance sheet date is £92 million.

The financial covenants of this facility include cash flow cover and leverage. The Company has prepared trading forecasts for the 12 month period ending 30 April 2020; these indicate that there is sufficient headroom against all covenants for a period of not less than 12 months from the date of approval of these financial statements.

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

2.6 Turnover

Company turnover represents income from circulation, advertising and subscription revenue generated from print magazines and digital publishing, as well as income earned from sales of goods over the internet, and other income.

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

- advertising and circulation revenue are recognised on the date of sale of the related publication;
- revenue from print and digital subscriptions is recognised over the period of the subscription;
- revenue from online directory listings is recognised over the period to which it pertains;
- other income is recognised on provision of service;
- sale of goods is recognised when the risks of ownership has passed to the purchaser, which is considered to be when the order has been dispatched.

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. Circulation income is stated after the deduction of the sales value of actual and estimated returned goods.

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

2. Accounting policies (continued)

2.7 Intangible assets

Goodwill

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

Other intangible assets

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

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

The estimated useful lives range as follows:

Software and Development	-	3 years
Goodwill	-	6 to 15 years
Other intangible fixed assets	-	5 to 10 years

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

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

2.8 Tangible fixed assets

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

2. Accounting policies (continued)

2.8 Tangible fixed assets (continued)

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

The estimated useful lives range as follows:

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

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

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

2.9 Impairment of fixed assets

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

2.10 Research and development costs

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

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

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

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

2.11 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2. Accounting policies (continued)

2.12 Business combinations

Business combinations are accounted for using the purchase method at acquisition date, which is the date on which control is transferred to the Company.

At the acquisition date, the Company recognises goodwill as:

- the fair value of the consideration (excluding contingent consideration transferred); plus
- estimated amount of contingent consideration (see below); plus
- the fair value of the equity instruments issued; plus
- directly attributable transaction costs; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities and contingent liabilities assumed.

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.

FRS 102.35 grants certain exemptions from the full requirements of FRS 102 in the transition period. The Company elected not to restate business combinations that took place prior to the transition date of 1 April 2014. In respect of acquisitions prior to the transition date, goodwill is included on the basis of its deemed cost, which represents the amount recorded under old UK GAAP. Intangibles assets previously included in goodwill are not recognised separately.

2.13 Stocks

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

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

2.14 Debtors

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

2.15 Cash and cash equivalents

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

2.16 Financial instruments

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

Debt instruments (other than those wholly repayable or receivable within one year), including loans

2. Accounting policies (continued)

2.16 Financial instruments (continued)

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

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

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

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

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

2.17 Creditors

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

2. Accounting policies (continued)

2.18 Foreign currency translation

Functional and presentation currency

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

Transactions and balances

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

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

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

2.19 Finance costs

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

2.20 Operating leases: the Company as lessee

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

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

2.21 Pensions

Defined contribution pension plan

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

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

2. Accounting policies (continued)

2.22 Holiday pay accrual

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

2.23 Interest income

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

2.24 Borrowing costs

All borrowing costs are capitalised and charged to the Statement of Comprehensive Income over the term of the debt using the effective interest rate method so that the amount charged is a constant rate on the carrying amount. If the debt is extinguished at a later date then the remaining capitalised borrowing costs are charged to the Statement of Comprehensive Income.

2.25 Provisions for liabilities

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

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

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

2. Accounting policies (continued)

2.26 Current and deferred taxation

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

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

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

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

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

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

The Company made a significant acquisition in August 2018 and management has estimated the fair value of the assets and liabilities acquired. On the acquisition of assets and their recognition in the statement of financial position, management has estimated the useful life of each asset and amortised the asset over its useful life. Carrying values are reviewed at each balance sheet date.

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

4. Turnover

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

5. Operating profit

The operating profit is stated after charging:

	2018 £000	*2017* *£000*
Amortisation of goodwill	**485**	-
Impairment of intangible assets	**128**	*1,375*
Amortisation of other intangible assets	**6,188**	*3,454*
Depreciation of tangible fixed assets	**1,048**	*859*
Research & development charged as an expense	**655**	*705*
Exchange differences	**49**	*42*
Operating lease costs	**2,165**	*1,515*
Restructuring costs and provisions	**5,589**	*12,988*

Total research and development expenditure incurred in the year was £5,579,000 (*2017: £3,990,000*), which includes £4,925,000 of capital expenditure (*2017: £3,285,000*).

In the year to 31 December 2018, the major items included in restructuring costs and provisions were a provision of £4,000,000 against amounts owed by group undertakings, redundancy costs, and diligence and launch costs relating to acquisitions made and potential acquisitions considered by the Company.

In the year to 31 December 2017, the major items included in restructuring costs and provisions were a provision of £11,000,000 against amounts owed by group undertakings, and costs associated with the transfer of the subscriptions file to a new subscriptions bureau, as a consequence of the closure of the subscriptions fulfillment joint venture (Dovetail) in 2017.

6. Auditors' remuneration

	2018 £000	*2017* *£000*
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	**44**	*40*

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the group parent company, Vancouver Topco Limited.

7. Employees

Staff costs, including Directors' remuneration, were as follows:

	2018 £000	*2017 £000*
Wages and salaries	22,599	*19,315*
Social security costs	3,175	*2,818*
Cost of defined contribution scheme	1,030	*774*
	26,804	*22,907*

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

	2018 No.	*2017 No.*
Sales	112	*92*
Production	296	*269*
Administration	108	*101*
Contract publishing	35	*45*
	551	*507*

8. Directors' remuneration

	2018 £000	*2017 £000*
Directors' emoluments	937	*729*
Company contributions to defined contribution pension schemes	17	*13*
	954	*742*

During the year retirement benefits were accruing to 3 Directors *(2017:3)* in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £522,000 *(2017: £388,000)*.

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £10,000 *(2017: £7,000)*.

During the year ended 31 December 2017, two Directors sold shares in a related company that they had previously acquired.

9. Income from shares in group undertakings

	2018 £000	*2017* *£000*
Dividends received from associates	104	*345*
	104	*345*

10. Interest receivable and similar income

	2018 £000	*2017* *£000*
Interest receivable from jointly controlled entities	-	*13*
Interest receivable from group undertakings	742	*742*
	742	*755*

11. Interest payable and similar expenses

	2018 £000	*2017* *£000*
Shareholder loan interest payable	222	-
	222	-

12. Taxation

	2018 £000	*2017 £000*
Corporation tax		
Current tax on profits for the year	4,176	*2,745*
Uk group relief payable	2,054	*2,469*
Adjustments in respect of prior years	(8)	*(331)*
Total current tax	6,222	*4,883*
Deferred tax		
Origination and reversal of timing differences	(40)	*151*
Changes to tax rates	(56)	*(11)*
Total deferred tax	(96)	*140*
Taxation on profit on ordinary activities	6,126	*5,023*

Factors affecting tax charge for the year

The tax assessed for the year is higher than *(2017 - higher than)* the standard rate of corporation tax in the UK of 19.00% *(2017 - 19.25%)*. The differences are explained below:

	2018 £000	*2017 £000*
Profit on ordinary activities before tax	21,916	*17,308*
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2017 - 19.25%)	4,164	*3,332*
Effects of:		
Disallowed expenditure	834	*2,109*
Other permanent differences	1,167	*(70)*
Other timing differences	55	*192*
Other tax adjustments	-	*38*
Adjustment in respect of prior year - current tax	(8)	*(331)*
Adjustment in respect of prior year - deferred tax	(30)	*(41)*
Group relief	-	*(13)*
Consortium relief	-	*(182)*
Change in tax rates	(56)	*(11)*
Total tax charge for the year	6,126	*5,023*

12. Taxation (continued)

Factors that may affect future tax charges

A reduction in the UK corporation tax rate from 19% to 17% (effective from 1 April 2020) was susbstantively enacted on 15 September 2016. The deferred tax liability at 31 December 2018 has been calculated based on these rates.

The Company has no deferred tax assets that are not fully recognised (*2017: £nil*).

13. Intangible assets

	Goodwill £000	Other Intangibles £000	Software and development £000	Total £000
Cost				
At 1 January 2018	-	500	9,504	10,004
Additions	-	-	4,924	4,924
Recognised on hive up of subsidiary	4,525	5,600	613	10,738
Disposals	-	-	(2,934)	(2,934)
Acquired through business combination	11,407	18,400	903	30,710
At 31 December 2018	15,932	24,500	13,010	53,442
Amortisation				
At 1 January 2018	-	75	4,782	4,857
Charge for the year	1,007	1,827	3,839	6,673
On disposals	-	-	(2,934)	(2,934)
Impairment charge	-	128	-	128
Recognised against reserves on hive up of subsidiary	2,200	2,722	-	4,922
At 31 December 2018	3,207	4,752	5,687	13,646
Net book value				
At 31 December 2018	12,725	19,748	7,323	39,796
At 31 December 2017	*-*	*425*	*4,722*	*5,147*

13. Intangible assets (continued)

On 1 January 2018 the trade and assets of one the Company's subsidiaries, Hitched Limited, were hived up into the Company. At the hive up date, intangible assets of goodwill and the fair value of the Hitched customer database (and associated deferred tax liability), all previously only recognised on consolidation, crystallised within the Company. Accumulated amortisation balances of £2,200,000 on goodwill and £2,722,000 on the customer database, previously charged at the consolidated level, were reversed and re-recognised in the Company through the profit and loss account in reserves, in accordance with FRS 102 Section 19. See Note 16, Business Combinations for further information.

Goodwill and Other Intangibles acquired through business combination in the year to 31 December 2018 relate to the acquistion of the BBC Good Food brand in August 2018 - see Note 16, Business Combinations for further information.

Other intangibles at 1 January 2018 of £500,000 relate to contract fees incurred on the rights to publish BBC titles. During the year, an impairment charge of £128,000 was made against this asset as a result of the aquisition of the Good Food brand on 31 August 2018.

Capitalised development costs are not treated as a realised loss 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 FRS 102 Section 18.

14. Tangible fixed assets

	Long-term leasehold property £000	Plant and machinery £000	Fixtures and fittings £000	Total £000
Cost or valuation				
At 1 January 2018	3,223	2,156	108	5,487
Additions	669	836	121	1,626
Recognised on hive up of subsidiary	-	23	9	32
Acquired through business combination	-	10	-	10
Disposals	-	(411)	(75)	(486)
At 31 December 2018	3,892	2,614	163	6,669
Depreciation				
At 1 January 2018	1,099	945	68	2,112
Charge for the year	223	791	34	1,048
Disposals	-	(411)	(66)	(477)
At 31 December 2018	1,322	1,325	36	2,683
Net book value				
At 31 December 2018	2,570	1,289	127	3,986
At 31 December 2017	*2,124*	*1,211*	*40*	*3,375*

15. Fixed asset investments

	Investments in subsidiary companies £000
Cost	
At 1 January 2018	9,138
Removed on hive up of subsidiary	(9,005)
At 31 December 2018	133

On 1 January 2018, investments previously held by Hitched Limited transferred to the Company as part of the hive up of trade and assets - these investments were Mumdrum Limited and Hitched PTY Limited (South Africa), both of which are dormant.

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Immediate Media TV Limited	Vineyard House, 44 Brook Green, Hammersmith, London, W6 7BT, UK	TV shopping	Ordinary	100%
Immediate Media Company Pte Singapore Limited	8 Wilkie Road, #03-01 Wilkie Edge, Singapore 228095	Management services	Ordinary	100%
Hitched Limited	Vineyard House, 44 Brook Green, Hammersmith, London, W6 7BT, UK	Non trading	Ordinary	100%
Mumdrum Limited	Vineyard House, 44 Brook Green, Hammersmith, London, W6 7BT, UK	Dormant	Ordinary	100%
Hitched PTY Limited (South Africa)	Falcon Office Park Unit 14, 142 Suid Street, Lyttelton, 0140, South Africa	Dormant	Ordinary	100%

15. Fixed asset investments (continued)

Associate

The following was an associate of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Frontline Limited	Media House, Peterborough Business Park, Lynch Wood, Peterborough, UK, PE2 6EA	Magazine distribution	Ordinary	23%

Joint ventures

The following were joint ventures of the Company:

Name	Registered office	Principal activity	Holding
Dovetail Services (UK) Holdings Limited	3rd Floor, One London Square, Cross Lanes, Guildford, UK, GU1 1UN	In members' voluntary liquidation	50%
Radio Times Events Limited	Vineyard House, 44 Brook Green, Hammersmith, London, UK, W6 7BT	Dormant	51%

16. Business Combinations

Acquisition of BBC Good Food Brand

On 31 August 2018 the Company acquired the BBC Good Food Brand and associated assets from the BBC. The acquired net assets at the acquisition date are listed below.

The resulting goodwill of £11,407,280 was capitalised and will be written off over 15 years.

Recognised amounts of identifiable assets acquired and liabilities assumed

	Fair value £000
Fixed assets	
Intangible - Subscriber relationships	400
Licensed domain names	10,000
Licensed trade names	5,000
Intellectual property	3,000
IT systems	903
Tangible	10
	19,313
Current assets	
Debtors	2,095
Creditors	
Amounts due within one year	(1,059)
Total net identifiable assets	20,349
Goodwill	11,407
Total purchase consideration	31,756

Consideration

	£000
Cash consideration	31,130
Directly attributable costs	626
Total purchase consideration	31,756

16. Business Combinations (continued)

Hive up of trade and assets of Hitched Limited

On 1 January 2018 the trade and assets of one the Company's subsidiaries, Hitched Limited, were hived up into the Company. The transferred net assets at the hive up date are listed below.

At the time of the original acquisition of the Hitched Limited shares on 30 January 2015, goodwill was recognised on consolidation of the group. This goodwill has now crystallised in the Company at the point of the hive up, in accordance with FRS 102 Section 19.

At the share purchase on 30 January 2015, capitalised goodwill was £4,525,000 and was considered to have a useful life of 6 years. At the point of hive up on 1 January 2018, accumulated amortisation of £2,200,000 had been charged at a consolidated level, which was reversed and re-recognised in the Company through the profit and loss acount in reserves.

At the share purchase date, a customer database intangible asset of £5,600,000 was recognised and was considered to have a useful life of 6 years. At the hive up date, accumulated amortisation of £2,722,000 had been charged at a consolidated level, which was reversed and re-recognised in the Company through the profit and loss account in reserves.

At the share purchase date, a deferred tax liability of £1,120,000 was recognised against the fair value of the customer database. At the hive up date a deferred tax credit of £589,000 had been charged at a consolidated level, which was reversed and re-recognised in the Company through the profit and loss account in reserves.

The goodwill and customer database assets will continue to be amortised in the Company over the 37 months of useful life remaining at the point of hive up.

Net assets transferred as part of the hive up

	Fair value £000
Fixed assets	
Intangible	**613**
Tangible	**32**
Current assets	
Debtors	**886**
Cash at bank	**277**
Total assets	**1,808**
Creditors	
Amounts due within one year	**(1,613)**
Provision for deferred tax	**(113)**
Annual leave provision	**4**
Total identifiable net assets	**86**

16. Business Combinations (continued)

Assets and liabilities crystallised as part of hive up

	Acquisition value £000	Movement charged up to P&L reserves on hive up £000	Net value at hive up £000
Intangible assets			
Goodwill	**4,525**	**(2,200)**	**2,325**
Customer database	**5,600**	**(2,722)**	**2,878**
	10,125	**(4,922)**	**5,203**
Provisions for liabilities			
Deferred tax liability	**(1,120)**	**589**	**(531)**
	9,005	**(4,333)**	**4,672**

Consideration on the hive up was in the form of an increase of £86,000 in the Company's group creditor balance with Hitched Limited to £3,047,000 for the net assets transferred.

In 2019 a dividend will be declared by Hitched Limited to reduce the value of this group creditor balance to £nil.

17. Stocks

	2018 £000	*2017 £000*
Raw materials and consumables	**556**	*408*
Work in progress	**1,929**	*1,569*
Finished goods and goods for resale	**481**	*791*
	2,966	*2,768*

Raw materials, consumables and changes in finished goods and work in progress recognised as cost of sales in the year amounted to £25,277,292 (*2017: £24,673,775*). The write-down of stocks to net realisable value amounted to £118,095 (*2017: £nil*).

18. Debtors

	2018 £000	*2017* *£000*
Trade debtors	**9,920**	*9,431*
Amounts owed by group undertakings	**79,270**	*71,179*
Amounts owed by associated undertakings	**5,191**	*5,310*
Other debtors	**7,336**	*3,283*
Prepayments and accrued income	**2,904**	*2,047*
	104,621	*91,250*

Included in amounts owed by group undertakings is a loan of £16,722,046 (*2017: £15,980,116*) owed by Immediate Media TV Limited which was used by the subsidiary to purchase the trade and assets of the Jewellery Maker business. This loan accrues interest at 5% per annum. A provision of £15,000,000 (*2017: £11,000,000*) has been made against this loan and other amounts owed by Immediate Media TV Limited used for the development of the TV business.

All amounts owed by other group undertakings are repayable on demand and bear no interest.

19. Cash and cash equivalents

	2018 £000	*2017* *£000*
Cash at bank and in hand	**7,162**	*4,863*
	7,162	*4,863*

20. Creditors: Amounts falling due within one year

	2018 £000	*2017* *£000*
Trade creditors	**9,006**	*8,637*
Amounts owed to group undertakings	**3,146**	*3,053*
Amounts owed to related parties	**222**	*-*
Corporation tax	**676**	*546*
Accruals and other creditors including other taxes and social security	**12,303**	*10,624*
Deferred income	**15,544**	*12,595*
	40,897	*35,455*

Amounts owed to related parties as at 31 December 2018 comprises interest on the shareholder loan arrangement with the Company's ultimate controlling party, Hubert Burda Media.

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

	2018 £000	*2017 £000*
Shareholder loan	**20,000**	-
	20,000	-

As part of the acquisition of BBC Good Food (see Note 16), the Company's ultimate controlling party, Hubert Burda Media, provided a loan of £20 million to part-finance the purchase, which is repayable by 30 June 2021.

22. Loans

Analysis of the maturity of loans is given below:

	2018 £000	*2017 £000*
Amounts falling due 2-5 years		
Shareholder loan	**20,000**	-
	20,000	-

Interest on the shareholder loan is charged at LIBOR plus a margin of 2.60%. Book value approximates to fair value. Interest on the loan is payable from 30 June 2019 and the principal is repayable in full by 30 June 2021.

23. Deferred taxation

	2018 £000	*2017 £000*
At beginning of year	**(810)**	*(670)*
Charged to profit or loss	**96**	*(140)*
Arising on hive up of a subsidiary	**(644)**	-
At end of year	**(1,358)**	*(810)*

23. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	2018 £000	*2017 £000*
Accelerated capital allowances	(1,010)	*(810)*
Fair values in business combinations	(354)	-
Accrued pension contributions	6	-
	(1,358)	*(810)*

24. Provisions

	Provision for annual leave £000	Provision for contructive obligation £000	Total £000
At 1 January 2018	73	236	309
Charged to profit or loss	63	-	63
Utilised in year	(73)	(236)	(309)
At 31 December 2018	63	-	63

The provision for constructive obligation represents an estimate of the Company's share of the losses incurred by a joint venture during its closure. The joint venture ceased trading in November 2017 and entered members voluntary liquidation on 19 February 2018.

The annual leave 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.

25. Share capital

	2018 £	*2017 £*
Allotted, called up and fully paid		
1 Ordinary share of £1.00	1	*1*

26. Pension commitments

The Company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Company to the scheme and amounted to £866,000 (*2017: £774,000*). Contributions amounting to £209,975 (*2017: £153,183*) were payable by the Company to the scheme at 31 December 2018.

27. Commitments under operating leases

At 31 December 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £000	*2017 £000*
Land and buildings		
Not later than 1 year	**2,175**	*1,813*
Later than 1 year and not later than 5 years	**8,700**	*8,700*
Later than 5 years	**7,830**	*10,005*
	18,705	*20,518*

	2018 £000	*2017 £000*
Other operating leases		
Not later than 1 year	**77**	*77*
Later than 1 year and not later than 5 years	**173**	*250*
	250	*327*

During the year £2,165,000 was recognised as an expense in the Statement of Comprehensive Income in respect of operating leases (*2017: £1,515,000*).

Capital commitments of £2,088,000 (*2017: nil*) were entered into by the Company at the balance sheet date in respect of Eagle House.

28. Related party transactions

The Company is a wholly owned subsidiary of Immediate Media Company Limited and has taken exemption under FRS 102.1.12(e) from disclosing transactions and balances with wholly owned entities which form part of the group headed by Vancouver Topco Limited. The following related party transactions were undertaken by the Company with the following associates and joint ventures of the Vancouver Topco Group:

Name of related party	How related to the Group	Income £000	Expenditure £000	Net debtors / (creditors) balance £000
December 2018				
Frontline Limited	Associate	-	(1,691)	5,191
Hubert Burda Media (Burda GmbH)	Ultimate controlling party	-	(222)	(20,222)
December 2017				
Dovetail Services Limited	Joint Venture	13	(1,348)	-
Frontline Limited	Associate	-	(1,546)	5,310

29. Controlling party

The ultimate controlling party of the Company is *Burda Gesellschaft mit beschränkter Haftung* (Hubert Burda Media), registered address Hauptstraße 130, 77652 Offenburg, Germany.

The group in which the results of the Company are consolidated is Vancouver Topco Limited, a company registered in England and Wales. Copies of the group financial statements are available to the public and can be obtained from the Registrar of Companies, Companies House, Cardiff, CF14 3UZ.

The immediate parent undertaking of the Company is Immediate Media Company Limited, a company registered in England and Wales. Copies of the financial statements are available to the public and can be obtained from the Registrar of Companies, Companies House, Cardiff, CF14 3UZ.