Vancouver Topco Limited

Directors' report and financial statements for the year ended 31 March 2013

Registered number 07633974

Contents

Directors' report

The Dırectors present theır report and the audıted fınancıal statements of the Vancouver Topco Group for the year ended 31 March 2013

Principal activities

The prıncıpal actıvıty of the Group ıs the development and exploıtatıon of the Group's cross medıa brands The prıncıpal actıvıty of the Company ıs as a holdıng company for the Group's actıvıtıes

Business review

These fınancıal statements are for the first full year of tradıng for the Vancouver Topco Group The Company dıd not trade untıl 1 November 2011 The Group was formed on 1 November 2011 on the acquısıtıon by ıts ındırectly held subsıdıary, Vancouver Bıdco Lımıted (subsequently renamed to Immedıate Medıa Company Lımıted) of two busınesses, BBC Magazınes (whıch ıncluded Orıgın Publıshıng), and Magıcalıa

The maın KPI's of the busıness relate to turnover, EBITDA and EBITDA margın

The first perıod of tradıng for the company was only a 5 month perıod, and ıt ıs therefore more helpful to consıder the result ın the context of the performance of the acquıred busınesses ın the prevıous 12 months on a pro forma basıs

	Year to 31 March 2013	12 months to 31 March 2012 (pro forma)	5 months to 31 March 2012
	£m	£m	£m
Turnover excludıng Joınt Ventures	150 7	145 8	63 5
EBITDA	26 5	21 4	11 3
EBITDA margın	17 6%	14 7%	17.8%

The busıness has performed strongly and has ıncreased turnover by 3% and EBITDA by 24% on a proforma basıs

Turnover growth was drıven by growth ın both the prınt and dıgıtal operatıons of the Group

Tıght control of costs ensured that £4 9m of addıtıonal turnover translated to £5 1m of addıtıonal EBITDA EBITDA margıns ıncreased from 14 7% to 17 6%

The busıness generated £26 6m cashflow from operatıng actıvıtıes

Durıng the perıod, the busıness largely completed the separatıon of ıts ınfrastructure from BBC Worldwıde and the creatıon of new fınancıal and operatıonal systems and capabılıtıes such as are requıred by a fully ındependent busıness The busıness completed the move to new London premıses for the BBC Magazınes and Magıcalıa busıness and ıt restructured ıts cost base to reflect the requırements of the new busıness Restructurıng costs relatıng to these costs and ıncurred durıng the perıod are shown separately on the face of the profit and loss account Sıgnıficant one off capıtal expendıtures relatıng to the new property and the establıshment of new systems are ıncluded ın the capıtal expendıture for the year

On 31 October 2012 the trade and assets of a subsıdıary entıty, Immedıate Medıa Company Magıcalıa Lımıted were transferred to another subsıdıary entıty, Immedıate Medıa Company London Lımıted, Immedıate Medıa Company Magıcalıa Lımıted ceased to trade from thıs date

Directors Report (continued)

Business review *(continued)*

With effect from 1 April 2013 the trade and assets of subsidiary entities Immediate Media Company Origin Limited and Immediate Media Company Services Limited were transferred into another subsidiary entity, Immediate Media Company Bristol Limited From this date Immediate Media Company Origin Limited and Immediate Media Company Services Limited ceased to trade

A subsidiary company, Immediate Media Company Bristol Limited acquired The Triathlon Show in March 2013, a live event held annually in March The Group will produce the show from March 2014

Goodwill amortisation of £11 3m reflects the charging to the profit and loss account of the outlay in relation to the acquisition of the business over a period of 12 years in accordance with accounting principles and has no implications for future cash flows

Principal Risks and Uncertainties

The activities of the business are largely within the United Kingdom, and the business is therefore exposed to the overall performance of the UK economy

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 using in part the technology and knowhow it acquired through the Magicalia transaction 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 both of these risks

Financial Instruments

The Group is funded via external bank loans and loan notes listed on the Channel Islands Stock Exchange ("CISX"), subordinated loan notes and its ultimate controlling party, the funds under the management of Exponent Private Equity LLP

At the balance sheet date, the Group had a £75,000,000 Senior Term and Multicurrency Revolving Debt Facilities Agreement and was required to comply with financial covenants The balance outstanding at 31 March 2013 was £60,862,000 (2012 £69,500,000) of which £7,945,000 (2012, £8,791,000) was repayable within 12 months The Facilities Agreement imposed certain restrictions on the activities of the group The Group had given security under the Facilities Agreement over its assets

The loan notes listed on the CISX are issued by the Company's directly held subsidiary Vancouver Midco 1 Limited and are all held by the ultimate controlling party, the funds under the management of Exponent Private Equity LLP The total nominal value of listed loan notes outstanding at 31 March 2013 was £56,435,905 (2012 £54,179,255) and interest of £5,866,570 (2012 £2,256,971) was accrued but not paid at that date These loan notes are subordinated to the Group's bank debt and so have been classified in these financial statements as falling due in more than 12 months

Post Balance Sheet Events

Subsequent to the balance sheet date, on 13 September 2013, the Group has re-financed its Senior Term and Multicurrency Revolving Debt Facilities Agreement and taken out an additional Mezzanine Term Facility Agreement The new Senior Term and Multicurrency Revolving Debt Facilities Agreement is for £72,862,205 of which £60,862,205 was initially drawn down The Mezzanine facility is for £37,137,795 and was fully drawn down

Directors Report *(continued)*

Post Balance Sheet Events (continued)

on 13 September 2013 None of the amounts drawn down on either facility at 13 September 2013 are due for repayment within 12 months of the balance sheet date

The agreements impose certain restrictions on the activities of the group The Group has given security under the agreements over its assets The group is required to comply with financial covenants under each of the agreements

The Group has put interest rate hedging arrangements in place to manage its interest rate risk over each of the agreements

Also on 13 September 2013 the Group repaid £38,236,585 of the loan notes listed on the Channel Islands Stock Exchange and interest accrued on those loan notes It also repaid £2,636,585 of its subordinated loan notes and accrued interest

Interest rate risk

The Group has entered into interest rate swap arrangements to hedge potential interest rate rises on its external bank borrowings The debt listed on the CISX is at a fixed rate of interest

Liquidity risk

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

Price and credit risk

The directors do not believe there is any significant credit risk with any trading partners that are material to the group

Research and development

It is a strategic priority of the business to understand its customer base and to develop high quality print and digital products for this customer base The business therefore invests in improving its knowledge of its customer base and its product development function and activity Total research and development expenditure incurred in the period was £2,310,000 (2012 £264,000), which includes £1,955,000 (2012 £256,000) of capital expenditure

Proposed dividend

The directors do not recommend the payment of a dividend

Policy and practice on payment of creditors

It is Group policy to adhere to the payment terms agreed with suppliers Payments are contingent on the supplier providing the goods and services to the required standard

At the period end there were 35 (2012 34) days purchases in trade creditors

Directors Report *(continued)*

Employees

People with disabilities are fully and fairly considered for vacancies arising within the Group and are given equal opportunities in relation to training, career development and promotion If an employee becomes disabled while in the employment of the Group and as a result is unable to perform his/her existing job, every effort is made to offer suitable alternative employment and re-training

All staff are invited to "All Hands" staff meetings which communicate the Group's performance and activities

The Group operates an employee bonus scheme that allows eligible staff to share in the financial performance of the Group

Directors

The directors who held office during the year were as follows

Kevin Langford
Thomas Bureau
Stephen Alexander
Peter Phippen
Oliver Bower
James Lenane
Christopher Graham
Bernard Gray (appointed 30/8/12)

Political and charitable contributions

Neither the Company nor any of its subsidiaries made any political or charitable donations or incurred any political expenditure during the year

Going Concern

The group's forecast and projections show that the group should be able to operate within the level of its current bank facilities The group forecasts to meet all banking covenant requirements for the next 12 months These forecasts include scheduled repayments of bank debt

The directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future Thus they have adopted the going concern basis of accounting in preparing the annual financial statements

Directors' indemnities

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

Directors Report *(continued)*

Disclosure of information to 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 he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information

Auditors

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

By order of the board

Kevin Langford
Chief Financial Officer

Vineyard House
44 Brook Green
Hammersmith
London
W6 7BT

16 December 2013

Statement of directors' responsibilities in respect of the Directors Report and the financial statements

The directors are responsible for preparing 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 group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 group and parent company and of their profit or loss for that period In preparing each of the group and parent company 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the parent company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its 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 group and to prevent and detect fraud and other irregularities

Independent Auditor's Report to the members of Vancouver Topco Limited

We have audited the financial statements of Vancouver Topco Limited for the year ended 31 March 2013 set out on pages 8 to 38 The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice)

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 6, 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 group's and of the parent company's affairs as at 31 March 2013 and of the group's loss 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 matter prescribed by the Companies Act 2006

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

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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

John Bennett (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London E14 5GL
16 December 2013

Consolidated Profit and Loss Account

for the year ended 31 March 2013

	Note	Year to 31 March 2013	5 months to 31 March 2012
		£ 000's	£ 000's
Group Turnover and Share of JVs	1	155,487	65,581
Less Share of JV Turnover		(4,744)	(2,108)
Group Turnover		**150,743**	**63,473**
Cost of Sales		(72,628)	(30,073)
Group Gross Profit		**78,115**	**33,400**
Administrative expenses	2	(53,958)	(22,738)
Group Operating profit before restructuring costs and amortisation		**24,157**	**10,662**
Restructuring Costs		(4,648)	(1,479)
Amortisation of Goodwill		(11,311)	(4,462)
Group operating profit	2 - 4	**8,198**	**4,721**
Share of operating loss in Joint Ventures and Associates		35	(184)
Total operating profit		8,233	4,537
Interest receivable	5	42	39
Interest payable and similar charges	6	(10,881)	(4,365)
Loss / Profit on ordinary activities before taxation		(2,606)	211
Tax on loss/profit on ordinary activities	7	(2,892)	(1,962)
Loss on ordinary activities after taxation		(5,498)	(1,751)
Minority interests	19	1	2
Loss for the financial year	18	(5,497)	(1,749)

The results above relate to continuing operations

There is no difference in the loss for the financial period as reported compared to a historical cost basis

There were no recognised gains and losses other than those recognised in the profit and loss account Accordingly, no separate statement of total recognised gains and losses has been presented

The notes on pages 13 to 38 form part of the Financial Statements

Consolidated Balance Sheet
at 31 March 2013

	Note	2013 £ 000's	2012 £ 000's
Fixed assets			
Goodwill	9	113,047	125,752
Other intangible assets	9	2,945	3,147
Tangible assets	10	7,914	2,964
Investments in joint ventures and Associates	11	338	379
		124,244	**132,242**
Current Assets			
Stocks	12	2,794	2,656
Debtors	13	25,852	26,534
Cash at bank and in hand		6,782	5,772
		35,428	**34,962**
Creditors: amounts falling due within one year	15	(50,841)	(50,067)
Net current liabilities		**(15,413)**	**(15,105)**
Total assets less current liabilities		**108,831**	**117,137**
Creditors. amounts falling due after more than one year	16	(115,092)	(118,005)
Net liabilities		**(6,261)**	**(868)**
Capital and reserves			
Called up share capital	17	107	59
Share Premium	18	879	824
Profit and Loss account	18	(7,246)	(1,749)
		(6,260)	**(866)**
Minority Interest	19	(1)	(2)
Equity		**(6,261)**	**(868)**

The notes on pages 13 to 38 form part of the Financial Statements

These financial statements were approved by the board of directors on 16 December 2013 and were signed on its behalf by

Kevin Langford
Director

Company Balance Sheet
at 31 March 2013

	Note	2013 £ 000's	2012 £ 000's
Fixed assets			
Investments	11	753	753
Total Fixed Assets		**753**	**753**
Current Assets			
Debtors (due after more than one year)	13	4,183	4,016
Cash at bank and in hand		265	-
Total Current Assets		**4,448**	**4,016**
Creditors: amounts falling due within one year	15	-	-
Net current liabilities		**4,448**	**4,016**
Total assets less current liabilities		**5,201**	**4,769**
Creditors: amounts falling due after more than one year	16	(4,293)	(3,891)
Net Assets		**908**	**878**
Capital and reserves			
Called up share capital	17	107	59
Share premium	18	879	824
Profit and Loss account	18	(78)	(5)
Equity		**908**	**878**

The notes on pages 13 to 38 form part of the Financial Statements

These financial statements were approved by the board of directors on 16 December 2013 and were signed on its behalf by

Kevin Langford
Director

Consolidated Cash Flow Statement

for the year ended 31 March 2013

	Note	Year ended 31 March 2013 £ 000's	5 months to 31 March 2012 £ 000's
Cash flow from operating activities	22	26,584	8,606
Returns on investments and servicing of finance	23	(3,895)	(1,634)
Taxation	23	(3,852)	(295)
Capital expenditure and financial investment	23	(7,305)	(1,196)
Acquisitions and disposals	23	(2,148)	(124,700)
Cash outflow before financing		**9,384**	**(119,219)**
Financing	23	(8,374)	124,991
Increase in cash in the period		**1,010**	**5,772**

Consolidated Reconciliation of net cash flow to movement in net debt

for the year ended 31 March 2013

		Year ended 31 March 2013 £ 000's	5 months to 31 March 2012 £ 000's
Increase in cash in the period		**1,010**	**5,772**
Cash inflow from increase in debt less amounts raised through equity		**8,638**	**(124,108)**
Change in net debt resulting from cash flows		**9,648**	**(118,336)**
Non cash movements		**(4,879)**	**(2,688)**
Movement in net debt in the period		**4,769**	**(121,024)**
Net debt at incorporation		**(121,024)**	**-**
Net debt at the end of the period	24	**(116,255)**	**(121,024)**

Reconciliation of Movements in Shareholders' Funds

for the year ended 31 March 2013

	Group	Group	Company	Company
	Year ended 31 March 2013	5 month period to 31 March 2012	Year ended 31 March 2013	5 month period to 31 March 2012
	£ 000's	£ 000's	£ 000's	£ 000's
Loss for the financial period	(5,497)	(1,749)	(73)	(5)
Retained loss	**(5,497)**	**(1,749)**	**(73)**	**(5)**
New share capital subscribed	103	883	103	883
Net addition to shareholders' deficit	**(5,394)**	**(866)**	**30**	**878**
Shareholders' funds at incorporation	(866)	-	878	-
Closing shareholders' deficit	**(6,260)**	**(866)**	**908**	**878**

Notes to the Financial Statements

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except as noted below

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules

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 Business Review on page 1

The group funds its activities through a mixture of equity, shareholder loans and external bank debt held by its subsidiary Immediate Media Company Limited

Subsequent to the balance sheet date, on 13 September 2013, the Group has re-financed its Senior Term and Multicurrency Revolving Debt Facilities Agreement and taken out an additional Mezzanine Term Facility Agreement These are secured by a fixed and floating charge over the group's assets The total value of bank debt drawn down at the date of the refinancing was £98,000,000 The total combined value of the facilities is £110,000,000

The financial covenants of these facilities include interest cover, leverage cover and cash flow cover, as well as a limit on capital expenditure in a given period At 31 March 2013, the group is in compliance with its financial covenants The group has prepared trading forecasts for the 12 month period ending 31 December 2014 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

On 13 September 2013 the Company's directly held subsidiary, Vancouver Midco 1 Limited repaid £38,236,585 of its loan notes listed on the Channel Islands Stock Exchange and interest accrued on those loan notes Subsequently the Group had £26,931,384 listed loan notes outstanding at that date

Based on this assessment, and notwithstanding the group's net liabilities, it is the Board's view that the group will have adequate resources to continue as a going concern for the foreseeable future

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 31 March 2013 The acquisition method of accounting has been adopted Under this method, the results of subsidiary undertakings acquired or disposed of in the period are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal

An associate is an undertaking in which the Group has a long term interest, usually from 20% to 50% of the equity voting rights, and over which it exercises significant influence A joint venture is an undertaking in which the Group has a long-term interest and over which it exercises joint control The Group's share of the profits less losses of associates and of joint ventures is included in the consolidated profit and loss account and its interest in their net assets, is included in investments in the consolidated balance sheet

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

Goodwill and negative goodwill

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) arising on business combinations is capitalised Positive goodwill is amortised to nil by equal annual instalments over its estimated useful life

Notes *(continued)*

1 Accounting policies *(continued)*

Intangible fixed assets and amortisation

Intangible fixed assets purchased separately from a business are capitalised at their cost

Intangible assets acquired as part of an acquisition are capitalised at their fair value where this can be measured reliably

Investments

In the Company's financial statements, investments in subsidiary undertakings, associates and joint ventures are stated at cost

Tangible fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows

Leasehold land and buildings	-	life of lease
Plant and machinery	-	3 to 5 years
Fixtures and Fittings	-	3 years

Impairment of fixed assets and goodwill

The carrying amounts of the Group's assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable If any such indication exists, the asset's recoverable amount is estimated

An impairment loss is recognised whenever the carrying amount of an asset or its income-generating unit exceeds its recoverable amount

Impairment losses recognised in respect of income-generating units are allocated first to reduce the carrying amount of any goodwill allocated to income-generating units, then to any capitalised intangible asset and finally to the carrying amount of the tangible assets in the unit on a pro rata or more appropriate basis An income generating unit is the smallest identifiable group of assets that generates income that is largely independent of the income streams from other assets or groups of assets

Notes *(continued)*

1 Accounting policies *(continued)*

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account

Leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease

Post retirement benefits

The Group operates a defined contribution pension scheme The assets of the scheme are held separately from those of the Group in an independently administered fund The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period

Research and development expenditure

Expenditure on research and development is written off to the profit and loss account in the year in which it is incurred Development expenditure is capitalised only where there is a clearly defined project, the expenditure is separately identifiable, the outcome of the project can be assessed with reasonable certainty and aggregate costs are expected to exceed related future sales and adequate resources exist to enable the project to be completed

Stocks

Stocks comprising raw materials, work in progress and shop stock are stated at the lower of cost and net realisable value

Taxation

The charge for taxation is based on the profit for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19

Notes *(continued)*

1 Accounting policies *(continued)*

Turnover

Group turnover represents income from circulation, advertising and subscription revenue generated from print magazine and digital publishing

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

- Advertising, circulation and subscription revenues are recognised on the date of sale date of the related publication,
- Revenue from print and digital subscriptions is recognised over the period of the subscription,
- Other income is recognised on provision of service,
- Event income is recognised when the event has taken place

Turnover excludes value added tax and trade discounts and is recognised at the fair value of consideration receivable Circulation income is stated after the deduction of the sales value of actual and estimated returned goods

All the material activities of the group are publishing in the UK therefore no segmental analysis has been provided

Financial Instruments

The Group's principal financial instruments, which exclude short-term debtors and creditors as permitted by FRS 13 'Derivatives and other financial instruments disclosures', comprise a bank loan, listed loan notes and cash These listed loan notes are registered on the Channel Islands Stock Exchange ("CISX") and are all held by the ultimate controlling party, the funds under the management of Exponent Private Equity LLP

It is, and has been throughout the financial period, the Group's policy that no trading in financial instruments shall be undertaken

The loan notes registered on the CISX are at a fixed rate of interest

Immediately after issue debt is stated at the fair value of the consideration received on the issue of the capital instrument after deduction of issue costs The finance cost of the debt is allocated to periods over the term of the debt at a constant rate on the carrying amount

The balance outstanding at 31 March 2013 on the group's bank loan is £60,862,000 (2012 £69,500,000) of which £7,945,000 (2012, £8,791,000) is repayable within 12 months The Facilities Agreement imposes certain restrictions on the activities of the group The Group has given security under the Facilities Agreement over its assets

The loan notes listed on the CISX are issued by the Company's directly held subsidiary Vancouver Midco 1 Limited and are all held by the ultimate controlling party, the funds under the management of Exponent Private Equity LLP, at a fixed rate of interest of 10% The total value of listed loan notes at 31 March 2013 was £56,435,905 (2012 £54,179,255) and interest of £5,866,570 (2012 £2,256,971) was accrued but not paid at that date These loan notes with a scheduled repayment date of 31 December 2021 are subordinated to the Group's bank debt and so have been classified in these financial statements as falling due in more than 12 months

Notes *(continued)*

1 Accounting policies *(continued)*

Fair Value of Financial Instruments

The carrying amounts and fair values of the material financial instruments are as follows

	2013 carrying amount	2013 fair value	2012 carrying amount	2012 fair value
	£000's	£000's	£000's	£000's
Short Term Instruments				
Cash	6,782	6,782	5,772	5,772
Short term bank debt	(7,945)	(7,945)	(8,791)	(8,791)
Long Term Instruments				
Long term bank debt	(52,917)	(52,917)	(60,709)	(60,709)
Listed loan notes	(62,291)	(62,291)	(56,424)	(56,424)
Subordinated loan notes	(4,293)	(4,293)	(3,891)	(3,891)

The group, in estimating its fair value disclosures for financial instruments has used the following methods and assumptions

Cash The carrying value reported approximates to fair value because of its short maturity

Long-term loans The Directors consider that it is not practicable to estimate the fair value of the Group's long-term borrowings as there is no active market for these instruments and fair values calculated on a net present value basis are deemed to be unreliable However due to the nature of the terms of the long-term borrowings, the face value of these loans is equal to their fair market value

Dividends on shares presented within equity

Dividends are only recognised as a liability to the extent that they are declared prior to the period end Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements

Cash

Cash, for the purpose of the cash flow statement, comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand

Notes *(continued)*

2 Notes to the profit and loss account

	Year ended 31 March 2013	5 months to 31 March 2012
	£ 000's	£ 000's
Loss on ordinary activities before taxation is stated after charging/(crediting)		
Depreciation	2,355	650
Foreign exchange gain	29	(14)
Research and development expenditure	355	8
Operating lease costs	1,372	253

Total research and development expenditure incurred in the period was £2,310,000 (2012 £264,000), which includes £1,955,000 (2012 £256,000) of capital expenditure

Restructuring costs shown on the face of the profit and loss account comprise costs incurred in the establishment of the new business and the migration of systems and staff from BBC Worldwide

Auditor's remuneration:

	Year ended 31 March 2013	5 months to 31 March 2012
	£ 000's	£ 000's
Audit of these financial statements	21	21
Amounts receivable by auditors and their associates in respect of		
Audit of financial statements of subsidiaries pursuant to legislation	67	67
All other services	5	5
	93	**93**

Notes *(continued)*

3 Remuneration of directors

The remuneration of the Directors during the period was as follows

	Year ended 31 March 2013	5 months to 31 March 2012
	£ 000's	£ 000's
Emoluments	961	508
	961	508

The number of Directors to whom retirement benefits accrue is as follows

	Year ended 31 March 2013	5 months to 31 March 2012
	No of Directors	No of Directors
Defined contribution schemes	2	2

The remuneration of the highest paid Director during the period was as follows

	Year ended 31 March 2013	5 months to 31 March 2012
	£ 000's	£ 000's
Emoluments	300	199
	300	**199**

The loans disclosed in note 25 to these accounts with T Bureau and K Langford are interest free If interest had been charged on these loans they would have accrued interest in the year of £3,218 based on an interest rate of 10%

Notes *(continued)*

4 Staff numbers and costs

The average number of persons employed by the Group (including directors) during the period, analysed by category, was as follows

	Number of employees Year ended 31 March 2013	Number of employees 5 months to 31 March 2012
Sales	142	135
Production	514	416
Administration	98	125
Contract publishing	92	119
	846	**795**

The aggregate payroll costs of these persons were as follows

	Year ended 31 March 2013 £ 000's	5 months to 31 March 2012 £ 000's
Wages and salaries	30,587	12,616
Social security costs	2,712	1,241
Other pension costs	961	289
	34,260	**14,146**

5 Other interest receivable and similar income

	Year ended 31 March 2013 £ 000's	5 months to 31 March 2012 £ 000's
Interest receivable from Joint Ventures and Associates	13	10
Share of Joint Venture and Associate Interest	29	29
	42	**39**

Notes *(continued)*

6 Interest payable and similar charges

	Year ended 31 March 2013 £ 000's	5 months to 31 March 2012 £ 000's
On bank loans and overdrafts	3,445	1,590
Interest rate swap interest	460	66
On amounts listed on the Channel Islands Stock Exchange	5,866	2,257
On subordinated loan notes	401	156
Amortisation of capitalised loan arrangement fees	659	275
Share of Joint Venture and Associate Interest	50	21
	10,881	**4,365**

Amounts listed on the Channel Islands Stock Exchange are all held by the ultimate controlling party, the funds under the management of Exponent Private Equity LLP

7 Taxation

Analysis of charge in period

	Year ended 31 March 2013 £ 000's	5 months to 31 March 2012 £ 000's
Current tax:		
UK corporation tax	3,416	1,986
Adjustment in respect of prior year	(353)	-
Total Current Tax	3,063	1,986
Deferred tax:		
Origination and reversal of timing differences	(40)	(55)
Deferred tax assest not previously recognised	(156)	-
Change in tax rates	25	31
Total deferred tax	(171)	(24)
Tax on profits on ordinary activities	**2,892**	**1,962**

Notes *(continued)*

Factors affecting the tax charge for the current period

The current tax charge for the period is higher than the standard rate of corporation tax in the UK of 24% (2012 26%) The differences are explained below

	Year ended 31 March 2013 £ 000's	5 months to 31 March 2012 £ 000's
(Loss)/ profit on ordinary activities before tax	(2,606)	211
Current tax at 24% (2012 26%)	(625)	55
Effects of		
Disallowed expenditure and interest payments disallowed for tax purposes	1,189	664
Other timing differences	(18)	15
Amortisation of goodwill	2,749	1,158
Share of results of joint ventures	(4)	46
Share of tax on joint venture profit	57	-
Depreciation in excess of capital allowances	155	40
Other permanent differences	(18)	8
Adjustment in respect of prior year	(353)	-
Tax losses utilised	(69)	-
Current tax charge for the year	**3,063**	**1,986**

Factors that may affect future current and total tax charges

Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013 This will reduce the company's future current tax charge accordingly and reduce the deferred tax asset at 31 March 2013 (which has been calculated based on the rate of 23% substantively enacted at the balance sheet date) by an estimated £72,500

A deferred tax asset of £1,198,393 (2012 £1,343,823) has not been recognised at 31 March 2013 The unrecognised asset relates to tax losses carried forward from previous financial years in a group company In the opinion of the directors, the ability of the Group to obtain the tax benefit of these payments is dependent on suitable profits arising in the relevant statutory companies in the future, that are either not currently foreseen or cannot be estimated with sufficient certainty

8 Dividends

No dividends were paid or declared during the period

Notes *(continued)*

9 Intangible fixed assets

Group	Goodwill	Other intangibles	Total
	£ 000's	£ 000's	£ 000's
Cost			
At 1 April 2012	130,160	3,200	133,360
Acquired in business combination	300	-	300
Additions	-	151	151
Transfer to loan costs	(2,047)	-	(2,047)
At 31 March 2013	128,413	3,351	131,764
Amortisation			
At 1 April 2012	(4,408)	(53)	(4,461)
Charged in period	(10,958)	(353)	(11,311)
At 31 March 2013	(15,366)	(406)	(15,772)
Net book value			
At 31 March 2013	**113,047**	**2,945**	**115,992**
At 1 April 2012	125,752	3,147	128,899

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

Immediate Media Company Bristol Limited a 100% owned subsidiary of the Company, acquired The Triathlon Show in March 2013 for £300,000 The purchase price represents the goodwill on the acquisition The Triathlon Show is a live event held annually in March The company will produce the show from March 2014

Notes *(continued)*

10 Tangible fixed assets

	Plant and Machinery	Fixtures & fittings	Leasehold improvements	Total
	£ 000's	£ 000's	£ 000's	£ 000's
Group				
Cost				
At 1 April 2012	3,614	-	-	3,614
Additions	2,972	1,399	2,934	7,305
Disposal	-	-	-	-
At 31 March 2013	**6,586**	**1,399**	**2,934**	**10,919**
Depreciation				
At 1 April 2012	650	-	-	650
Charge for the year	1,714	515	126	2,355
Disposal	-	-	-	-
At 31 March 2013	**2,364**	**515**	**126**	**3,005**
Net book value				
At 31 March 2013	**4,222**	**885**	**2,808**	**7,915**
At 1 April 2012	2,964	-	-	2,964

Capitalised development costs are not treated as a realised loss for the purpose of determining the Group's distributable profits as the Group has a policy of capitalising these costs as tangible assets in accordance with SSAP 13

Notes *(continued)*

11 Fixed asset investments

The Company holds the following fixed asset investments

	Shares in Group Undertaking directly held
	£ 000's
Company	
Cost	
At 1 April 2013	753
Additions	-
At 31 March 2013	753

The investment acquired by the Company relates to the acquisition by the Company of the entire issued share capital of Vancouver Midco 1 Limited

Notes *(continued)*

11 Fixed asset investments (continued)

The undertakings in which the Group's interest at the period end is more than 20% are as follows

	Country of incorporation	Principal activity	Percentage of Ordinary Shares Held	
			Group	Company
Subsidiary undertakings				
Vancouver Midco 1 Limited	England and Wales	Holding company		100%
Vancouver Midco2 Limited	England and Wales	Holding company	100%	
Immediate Media Company Limited	England and Wales	Management services	100%	
Immediate Media Company London Limited	England and Wales	Magazine publishing	100%	
Immediate Media Company Bristol Limited	England and Wales	Magazine publishing	100%	
Immediate Media Company Services Limited	England and Wales	Management services	100%	
Immediate Media Company Origin Limited	England and Wales	Magazine publishing	100%	
Immediate Media Company Origin Holdings Limited	England and Wales	Holding company	100%	
Genealogy Events Limited	England and Wales	Live events	77 5%	
Immediate Media Company Magicalia Limited	England and Wales	Digital Media	100%	
Magicalia Media Limited	England and Wales	Holding company	100%	
Visordown Limited	England and Wales	Dormant	100%	
Bristol Magazines USA LLC	United States of America	Dormant	100%	
Associated undertakings - joint ventures				
Dovetail Services (UK) Holdings Limited	England and Wales	Subscription fulfilment	50%	
Associated undertakings - associates				
Frontline Limited	England and Wales	Magazine distribution	23%	

Notes *(continued)*

11 Fixed asset investments *(continued)*

Associates and joint ventures

The total of the Group's profit before taxation from interests in associates and joint ventures was £16,000 (2012 loss of £180,000)

The movement in investments in joint ventures and associates is as below

	Joint Venture (Dovetail)	Associate (Frontline)	Total Joint Venture and Associate
Goodwill			
At 1 April 2012	74	-	74
Acquisition	-	-	-
At 31 March 2013	**74**	-	**74**
Net Assets			
At 1 April 2012	(53)	358	305
Net Assets Acquired	-	-	-
Share of profit after tax	19	(60)	(41)
Closing Balance At 31 March 2013	**(34)**	**298**	**264**
Net book value at 31 March 2013	**40**	**298**	**338**
Net book value at 1 April 2012	21	358	379

On 31 October 2011 the Group acquired the entire Ordinary D share capital in Frontline Limited The shares are entitled to 23% of the voting rights in Frontline Limited The Company also acquired 6% of the Ordinary A share capital, 25% of the Ordinary E share capital and 23% of the Ordinary F Share capital of Frontline Limited These shares have no voting rights Frontline is a company incorporated in England and Wales and its principal activity is magazine distribution

On 31 October 2011 the Group acquired 50% of the ordinary share capital of Dovetail Services (UK) Holdings Limited from BBC Worldwide Limited Dovetail Services (UK) Holdings Limited is a company incorporated in England and Wales and its principal activity is magazine subscription fulfilment

Notes *(continued)*

12 Stocks

	Group 2013 £ 000's	Group 2012 £ 000's
Raw materials and consumables	1,557	1,811
Work in progress	1,237	845
	2,794	**2,656**

13 Debtors

	Group 2013 £ 000's	Group 2012 £ 000's	Company 2013 £ 000's	Company 2012 £ 000's
Debtors due in less than one year				
Trade debtors	17,202	17,861	-	-
Amounts owed by Joint Ventures	724	650	-	-
Deferred tax assets	556	385	-	-
Other debtors	5,089	4,698	-	-
Prepayments and accrued income	2,167	2,915	-	-
	25,738	**26,509**	-	-
Debtors due in more than one year				
Amounts owed by Related Parties	34	25	-	-
Other debtors due in more than one year	80	-	-	-
Amounts owed by subsidiary undertaking			4,183	4,016
	114	**25**	**4,183**	**4,016**
	25,852	**26,534**	**4,183**	**4,016**

Intercompany balances accrue interest at 10% per annum Of the balance, £10m is scheduled for repayment in 2022 The repayment of the remaining balance must be agreed by both the borrower and the lender consequently, the Directors consider this to be not falling due for the foreseeable future

Included in other debtors due in more than one year are loans made to key management personnel in relation to shares issued in the Company during the year During the year 7,533,800 of the Company's C shares were purchased by an Employee Benefit Trust ("The Trust") These shares were purchased by The Trust in 3 phases On 31 May 2012 4,921,945 shares were purchased, on 5 July 2012 1,531,829 shares were purchased and on 7 February 2013 1,080,026 shares were purchased

Notes *(continued)*

13 Debtors *(continued)*

The shares were purchased at their market value of 1p per share This purchase price comprises the shares' nominal value of 0 01 pence and share premium of 0 99 pence per share

The purchase of these shares was funded by certain key management personnel of the group These management personnel either funded the share issue entirely with cash or paid 10% of the value of the shares in cash Where the entire purchase price was not paid in cash, the remaining 90% of the value of the shares was funded by a non-recourse, non-interest bearing loan from Vancouver Midco 1 Limited, the Company's directly held subsidiary The total value of loans issued by Vancouver Midco 1 Limited in order to fund these shares was £64,188

In return for funding the purchase of these shares by The Trust, the management personnel hold the beneficial interest in these shares This beneficial interest will vest when The Trust sells its shares on to a third party and the value achieved through the sale of these shares will be paid to the individuals, less any outstanding loan balance from the original purchase

The terms of the shares define 'Good leavers' and 'Bad leavers' where a bad leaver is an employee leaving the group by voluntarily resignation or constructive dismissal All other leavers are Good leavers

A bad leaver receives the lower of subscription price and market value A good leaver receives the higher of market value or subscription price Other than as a result of the good and bad leaver provisions, the arrangements do not place any obligation or expectation on the Company that they will be settled in cash The shares are therefore regarded as 'equity settled'

Because the shares have been purchased at fair value, no charge has been recognised in the profit and loss account in relation to these shares

14 Deferred Taxation

	Deferred taxation £ 000's 2013	**Deferred taxation £ 000's 2012**
Group		
At beginning of year	385	-
Acquired from business combinations	-	360
Credit to the profit and loss for the period	171	25
At end of period (see note 13)	**556**	**385**

Notes *(continued)*

14 Deferred Taxation *(continued)*

The elements of deferred taxation are as follows

	Year ended 31 March 2013 £ 000's	5 months to 31 March 2012 £ 000's
Net Assets at start of year	385	-
DTA previously unrecognised	156	-
Difference between accumulated depreciation and amortisation and capital allowances	-	400
Other timing differences	40	16
Change in tax rate	(25)	(31)
Total asset	556	385
Deferred tax asset (see note 13)	556	385
Deferred tax liability	-	-
	556	385

A deferred tax asset of £1,198,393 (2012 £1,343,823) has not been recognised at 31 March 2013 The unrecognised asset relates to tax losses carried forward from previous financial years in a group company In the opinion of the directors, the ability of the Group to obtain the tax benefit of these payments is dependent on suitable profits arising in the relevant statutory companies in the future, that are either not currently foreseen or cannot be estimated with sufficient certainty

Notes *(continued)*

15 Creditors: amounts falling due in less than one year

	Group 2013 £ 000's	Group 2012 £ 000's	Company 2013 £ 000's	Company 2012 £ 000's
Bank loans and overdrafts	7,945	8,791	-	-
Trade creditors	14,074	11,944	-	-
Deferred consideration payable	-	1,697	-	-
Corporation tax creditor	1,709	2,673	-	-
Other creditors including other taxes and social security	2,561	2,412	-	-
Accruals and deferred income	24,552	22,550	-	-
	50,841	**50,067**	-	-

The deferred consideration balance shown above relates to the acquisition of the trade and assets of *You and Your Wedding* magazine and website, *Prima Baby* magazine and *Baby Expert* This balance was settled in full on 3 April 2012

16 Creditors: amounts falling due after more than one year

	Group 2013 £ 000's	Group 2012 £ 000's	Company 2013 £ 000's	Company 2012 £ 000's
Bank loans	52,917	60,709	-	-
Capitalised loan arrangement fees	(4,409)	(3,019)	-	-
Amounts listed on the Channel Islands Stock Exchange	62,291	56,424	-	-
Subordinated loan notes	4,293	3,891	4,293	3,891
	115,092	**118,005**	**4,293**	**3,891**

Subordinated loan notes accrue interest at 10% per annum The repayment of the balance must be agreed by both the borrower and the lender consequently, the Directors consider this to be not falling due for the foreseeable future

Notes *(continued)*

16 Creditors: amounts falling due after more than one year *(continued)*

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

	2013	2012
	£ 000's	£ 000's
Within one year	7,945	8,791
In the second to fifth years inclusive	20,401	24,089
Over five years	32,516	36,620
	60,862	**69,500**

Interest is charged on the bank loans at LIBOR plus a margin The company has an interest rate swap on 90% of its debt which caps interest at current levels

17 Called up share capital

	2013	2012
	£ 000's	£ 000's
Allotted, called up and fully paid		
80,358,270 (2012 80,358,270) A ordinary shares of £0 0001 each	8	8
9,843,888 (2012 5,022,392) B ordinary shares of £0 01 each	98	50
8,320,117 (2012 2,795,274) C ordinary shares of £0 0001 each	1	-
100,000 (2012 75,000) D ordinary shares of £0 0001	-	-
	107	**59**

The shares in issue at 31 March 2012 were issued in four stages 2 shares were issued at incorporation for £1 each, a further 8 shares were issued on 2 August 2011 for £1 each On 31 October 2011 these 10 shares were each subdivided into 100 A ordinary shares of £0 0001 Also on 31 October 2011 a further 79,999,000 A ordinary shares were issued along with 5,000,000 B ordinary shares and 2,786,317 C ordinary shares On 9 December 2011 the remaining 358,270 A ordinary shares, 22,392 B ordinary shares and 8,957 C ordinary shares were issued

On 31 May 2012 2,008,957 C shares were re-designated as B shares and on the same date a further 1,808,061 B shares and 4,921,945 C shares were issued On 5 July 2012 1,531,829 C shares were issued On 24 July 2012 a further 1,004,478 B shares were issued and on 7 July 2013 a further 1,080,026 C shares were issued

Notes *(continued)*

18 Share premium and reserves

Company	Share Premium	Profit and loss account
	£000 's	£000 's
At beginning of year	(824)	(5)
Loss for the period	-	(73)
Premium on share issues, less expenses	(55)	-
At end of year	**(879)**	**(78)**

Group	Share Premium	Profit and loss account
	£ 000's	£ 000's
At beginning of year	(824)	(1,749)
Loss for the period	-	(5,497)
Premium on share issues, less expenses	(55)	-
At end of year	**(879)**	**(7,246)**

19 Minority interests

	Group 2013	Group 2012
	£ 000's	£ 000's
Opening	(2)	0
Share of profit for year outside group	1	(2)
At end of year	**(1)**	**(2)**

Notes *(continued)*

20 Commitments

(a) Capital commitments at the end of the financial period, for which no provision has been made, are as follows

	Group 2013 £ 000's	Company 2013 £ 000's	Group 2012 £ 000's	Company 2012 £ 000's
Contracted	-	-	1,513	-
	-	**-**	**1,513**	**-**

The capital expenditure committed by the group at 31 March 2012 relates to the fit out of a new office building The fit out was completed in the current year

(b) Annual commitments under non-cancellable operating leases are as follows

	Land and buildings 2013 £ 000's	Land and buildings 2012 £ 000's	Other 2013 £ 000's	Other 2012 £ 000's
Group				
Operating leases which expire				
Within one year	-	-	339	47
In the second to fifth years inclusive	49	-	240	-
Over five years	1,670	-	-	-
	1,719	**-**	**579**	**47**

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

Notes *(Continued)*

21 Pension scheme

Defined contribution pension scheme

The Group operates a defined contribution pension scheme The pension cost charge for the period represents contributions payable by the Group to the scheme and amounted to £961,000 (2012 £289,492)

Contributions amounting to nil (2012 £110,000) were payable by the group to the scheme at 31 March 2013 and are included in creditors

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

22 Reconciliation of operating profit to operating cash flows

	Year ended 31 March 2013	5 months to 31 March 2012
	£ 000's	£ 000's
Operating profit	8,198	4,721
Depreciation, amortisation and impairment charges	13,665	5,112
Increase in stocks	(136)	(563)
Increase in debtors	691	(4,422)
Increase in creditors	4,166	3,758
Net cash flow from operating activities	**26,584**	**8,606**

Notes *(continued)*

23 Analysis of cash flows

	Notes	Year ended 31 March 2013	5 months to 31 March 2012
		£ 000's	£ 000's
Returns on investment and servicing of finance			
Interest received		12	10
Interest paid		(3,907)	(1,644)
		(3,895)	**(1,634)**
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(7,305)	(1,196)
		(7,305)	**(1,196)**
Acquisitions and disposals			
Purchase of subsidiary undertakings		-	(122,949)
Cash acquired within subsidiary undertaking		-	260
Purchase of trade and assets		(2,148)	(1,500)
Purchase of interest in joint venture		-	(511)
		(2,148)	**(124,700)**
Financing			
Issue of ordinary share capital		18	883
Debt due within one year			
Increase in short-term borrowing		-	8,791
Repayment of secured loan		(8,638)	(500)
Debt due after more than one year			
New secured loan		-	57,914
Issue of debt listed on CISX		-	54,433
Issue of subordinated loan notes		246	3,470
		(8,374)	**124,991**

Notes *(continued)*

24 Analysis of net debt

	At beginning of period	Cash flow	Non-cash movements	At end of period
	£ 000's	£ 000's	£ 000's	£ 000's
Cash in hand, at bank	5,772	1,010	-	6,782
	5,772	**1,010**	-	**6,782**
Debt due after one year	(118,005)	(153)	3,066	(115,092)
Debt due within one year	(8,791)	8,791	(7,945)	(7,945)
	(126,796)	**8,638**	**(4,879)**	**(123,037)**
Total	**(121,024)**	**9,648**	**(4,879)**	**(116,255)**

25 Related party disclosures

Related parties of Immediate Media Company Limited include its subsidiary, associated and joint venture undertakings and its ultimate controlling parties as well as its directors and their close family members

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note as permitted by FRS 8

Group

The following related party transactions were undertaken by the Group

2013 Name of related party	How related to the Group	Income	Expenditure	Net debtors/ (creditors) balance
		£000's	£000's	£000's
Dovetail Services Limited	Joint venture	12	(1,334)	852
Frontline Ltd	Associate	-	(382)	5,076
Exponent PE Partner GP I	Significant shareholder	-	(12)	(7,343)
Exponent PE Partner GP II	Significant shareholder	-	(88)	(54,959)

Notes *(continued)*

2012

Name of related party	How related to the Group	Income £000's	Expenditure £000's	Net debtors/ (creditors) balance £000's
Dovetail Services Limited	Joint venture	9	(1,237)	544
Frontline Ltd	Associate	-	(1,257)	4,773
Exponent PE Partner GP I	Significant shareholder	-	(203)	(6,655)
Exponent PE Partner GP II	Significant shareholder	-	(1,833)	(49,795)

During the year the Group issued £1,991,862 of payment in kind notes to Exponent PE Partner GP II and £264,789 to Exponent PE Partner GP I in settlement of interest accruing on the principal amount

The fees payable and the outstanding balance with Dovetail relate to subscription fulfilment The fees payable to Frontline relate to magazine distribution The balance outstanding with Frontline relates to Group revenues collected by Frontline and its subsidiary and joint venture undertakings and due to the group This balance is net of associated fees and marketing and distribution costs

Fees paid to Exponent include management fees payable and in 2012 fees relating to the acquisitions made by the Group in that period

At the balance sheet date subordinated loan notes of £1,514,567 (2012 £1,371,971) are payable by the Company to T Bureau This is consideration due in payment for his shareholding in Magicalia Holdings Limited which the Group acquired on 31 October 2012

In addition, subordinated loan notes of £520,026 (2012 £471,118) were payable to other related parties of the Group These are also consideration due in payment for shareholdings in Magicalia Holdings Limited which the Group acquired on 31 October 2012

At 31 March 2013 a balance of £24,586 (2012 £24,586) is outstanding with T Bureau During the year a loan was made to K Langford for £9,085 which is outstanding at the balance sheet date These loans do not accrue interest and there is no scheduled repayment date

Company

The Company has taken exemption under FRS 8 from disclosing transactions and balances with wholly owned entities which form part of the group headed by Vancouver Topco Limited Remuneration of Directors is disclosed in note 4 to these accounts

At the period end a total of 8,035,827 B shares, 1,188,108 C shares and 15,000 D shares are held by certain of the Company's directors

26 Ultimate parent company

At 31 March 2013, the ultimate controlling party and immediate parent company of the company is Exponent Private Equity LLP on behalf of the funds under its management The highest level at which the results of the Company are consolidated is in these financial statements