Vancouver Topco Limited

Strategic Report, Directors' report and financial statements for the year ended 31 March 2015

Registered number 07633974

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Strategic report

The Directors present the Strategic report of the Vancouver Topco Group for the year ended 31 March 2015.

Principal activities

The principal activity of the Group is the development and exploitation of the Group's cross media brands. The principal activity of the Company is as a holding company for the Group's activities.

Business review

The directors are pleased to report a strong set of results for the Company's third full year of trading for the Vancouver Topco group.

The group was formed on 1 November 2011 on the acquisition by its subsidiary, Vancouver Bidco Limited (subsequently renamed to Immediate Media Company Limited) of two businesses; BBC Magazines (which included Origin Publishing), and Magicalia. The full list of entities acquired can be seen in note 11 to these financial statements.

The group operates an award winning special interest content and platform business which creates compelling content that enhances the way people engage with what they love.

The main KPI's of the business relate to turnover, EBITDA and EBITDA margin.

	12 months to 31 March 2015	12 months to 31 March 2014		12 months to 31 March 2015	12 months to 31 March 2014
				Underlying/excluding ex Future brands	Underlying/excluding ex Future brands
	£m	£m		£m	£m
Turnover	164.3	150.6		151.3	148.4
EBITDA	33.6	30.1		30.8	28.9
EBITDA margin	20.5%	20.0%		20.4%	19.5%

The business has continued to grow strongly. Turnover increased by 9% and EBITDA increased by 12%. EBITDA margins improved from 20.0% to 20.5%

Both print and digital operations grew during the year. In addition revenue was increased through the acquisition of cycling and craft brands from Future Publishing in July 2014, which contributed revenues and EBITDA for just over 8 months.

Excluding the impact of the acquisition from Future Publishing and of certain closures and exits in the prior year, turnover increased 2% from £148.4m to £151.3m and EBITDA increased 7% from £28.9m to £30.8m

The business generated £32.2 million cashflow from operating activities (2014: £30.1 million).

The business made two material acquisitions during the year.

A subsidiary company, Immediate Media Company Bristol Limited acquired the cycling and craft businesses of Future Publishing in July 2014. These businesses comprise market leading websites and magazines in two growing specialist markets, which add to the company's strength in specialist content and platforms.

As part of the transaction Immediate Media Company Bristol Limited acquired two cross stitch titles and a genealogy title from Future Publishing. These were subsequently disposed, following a review by the Competitions and Markets Authority, in January 2015 for no gain or loss.

A subsidiary company, Immediate Media Company London Limited acquired Hitched Ltd on 31st January 2015. Hitched Ltd operates the UK's market leading wedding venues website.

The group incurred restructuring costs during the year which mainly relate to the integration of these acquired businesses.

The profit and loss account includes goodwill amortisation which reflects mainly charging to the profit and loss account of the outlay in relation to the original acquisition of the business over a period of 12 years in accordance with accounting principles and has no implications for future cash flows.

The Group 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.

After the year end, the company restructured its debt in order to reduce its interest cost.

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 Group 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.

Interest rate risk
The Group has entered into interest rate swap arrangements to hedge potential interest rate rises on its borrowings.

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.

Financial Instruments

The Group is funded via external bank loans and debt provided by its immediate parent undertaking, Vancouver Midco 1 Limited. At 31 March 2015 the total bank loan facilities held by the Group were £124 million.

The Facilities Agreements impose certain restrictions on the activities of the Group. The Group has given security under the Facilities Agreements over its assets.

At 28 May 2014 the senior debt and Mezzanine debt were refinanced and rolled over into a new facility. On 30 May 2014 £3,000,000 of additional senior debt was drawn down. Also on this date, £18,050,000 of the debt provided by the Company's immediate parent undertaking was repaid. On 21 July 2014, £22 million of the amended facility was drawn down to fund the acquisition of Future Publishing's Sport and Craft titles.

At 31 March 2015 the balance outstanding on the Senior Term and Multicurrency Revolving Debt Facility was £67,506,886 (2014: £60,862,000) of which £9,548,974 (2014: £7,744,000) is repayable within 12 months. At 31 March 2015 the balance outstanding on the Mezzanine Facility was £51,530,586 (2014: £38,364,096), none of which is repayable within 12 months.

On 4th September 2015 the Mezzanine debt was repaid in full. On the same date the senior debt facilities were refinanced and an amended and restated Senior Term and Multicurrency Revolving Facilities Agreement put in place. The total value of the new facilities is £135,816,759 of which £123,816,759 was drawn down at 4 September 2015.

Kevin Langford
Chief Financial Officer

Vineyard House
44 Brook Green
Hammersmith
London
W6 7BT

25 November 2015

Directors' Report

The Directors present the Directors' report and the audited financial statements of the Vancouver Topco Group for the year ended 31 March 2015.

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 £4,189,000 (2014: £4,438,000), which includes £3,743,000 (2014: £3,872,000) of capital expenditure.

Proposed dividend

The directors do not recommend the payment of a dividend (2014: £nil).

Directors

The directors who held office during the year were as follows:

Kevin Langford
Thomas Bureau
Stephen Alexander
Oliver Bower
James Lenane
Christopher Graham
Bernard Gray
Peter Phippen

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 (2014: £nil). One of the company's subsidiaries made charitable donations of £31,950.

Going Concern

One of the Company's indirect subsidiaries holds loans that are secured by fixed and floating charges over the group's assets. The principal bank facilities expire in 2020.

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 2015, the group is in compliance with its financial covenants. The group has prepared trading forecasts for the 12 month period ending 30 November 2016. 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.

At 28 May 2014 the senior debt was refinanced and rolled over into a new facility. The total bank facility is for £124million. On 21 July 2014, £22 million of this facility was drawn down to fund the acquisition of Future Publishing's Sport and Craft titles.

On 4th September 2015 the Mezzanine debt was repaid in full. On the same date the senior debt facilities were refinanced and an amended and restated Senior Term and Multicurrency Revolving Facilities Agreement put in place. The total value of the new facilities is £135,816,759 of which £123,816,759 was drawn down at 4 September 2015.

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

Directors' indemnities

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

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.

Auditor's

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

25 November 2015

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

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

Company law requires the directors to prepare financial statements for each financial year. Under that law 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 2015 set out on pages 8 to 40. 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 2015 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 Strategic Report and 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 (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square

London E14 5GL

25 November 2015

Consolidated Profit and Loss Account

for the year ended 31 March 2015

	Note	Continuing Operations 2015 £ 000's	Acquisitions 2015 £ 000's	Group 2015 £ 000's	Group 2014 £ 000's
Group Turnover and Share of JVs	1	155,991	12,988	168,979	155,283
Less Share of JV Turnover		(4,687)	-	(4,687)	(4,687)
Group Turnover		**151,304**	**12,988**	**164,292**	**150,596**
		-	-	-	-
Cost of Sales		(66,828)	(5,194)	(72,022)	(70,090)
Group Gross Profit		**84,476**	**7,794**	**92,270**	**80,506**
		-	-	-	-
Administrative expenses	2	(71,343)	(8,950)	(80,293)	(65,902)
Group Operating profit before restructuring costs and amortisation		**25,865**	**2,785**	**28,650**	**27,006**
Restructuring Costs	2	(1,701)	(1,505)	(3,206)	(1,222)
Amortisation of Goodwill		(11,031)	(2,436)	(13,467)	(11,180)
Group operating profit	2 - 4	**13,133**	**(1,156)**	**11,977**	**14,604**
Share of operating loss in Joint Ventures and Associates		33	-	33	(220)
Total operating profit		13,166	(1,156)	12,010	14,384
Interest receivable	5			78	89
Interest payable and similar charges	6			(12,646)	(15,655)
Loss on ordinary activities before taxation				(558)	(1,182)
Tax on loss on ordinary activities	7			(1,164)	(1,867)
Loss on ordinary activities after taxation				(1,722)	(3,049)
Minority interests	19			9	(1)
Loss for the financial year	18			(1,713)	(3,050)

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 40 form part of the Financial Statements.

Consolidated Balance Sheet
at 31 March 2015

	Note	2015 £ 000's	2014 £ 000's
Fixed assets			
Goodwill	9	119,822	102,201
Other intangible assets	9	2,282	2,611
Tangible assets	10	10,419	9,407
Investments in joint ventures and Associates	11	214	166
		132,737	**114,385**
Current Assets			
Stocks	12	2,478	2,865
Debtors	13	24,851	20,679
Cash at bank and in hand		7,361	17,283
		34,690	**40,827**
Creditors: amounts falling due within one year	15	(57,697)	(45,909)
Net current liabilities		**(23,007)**	**(5,082)**
Total assets less current liabilities		**109,730**	**109,303**
Creditors: amounts falling due after more than one year	16	(120,761)	(118,612)
Net liabilities		**(11,031)**	**(9,309)**
Capital and reserves			
Called up share capital	17	107	107
Share premium	18	880	880
Profit and Loss account	18	(12,009)	(10,296)
		(11,022)	**(9,309)**
Minority Interest	19	**(9)**	-
Total Shareholders' Funds		**(11,031)**	**(9,309)**

The notes on pages 13 to 40 form part of the Financial Statements.

These financial statements were approved by the board of directors on 25 November 2015 and were signed on its behalf by:

Kevin Langford
Director

Company Balance Sheet
at 31 March 2015

	Note	2015 £ 000's	2014 £ 000's
Fixed assets			
Investments	11	753	753
		753	**753**
Current Assets			
Debtors (due after more than one year)	13	1,275	1,996
Cash at bank and in hand		117	-
		1,392	**1,996**
Creditors: amounts falling due within one year	15	**(156)**	**-**
Net current assets		**1,236**	**1,996**
Total assets less current liabilities		**1,989**	**2,749**
Creditors: amounts falling due after more than one year	16	(897)	(1,956)
Net Assets		**1,092**	**793**
Capital and reserves			
Called up share capital	17	107	107
Share premium	18	880	880
Profit and Loss account	18	105	(194)
Total Shareholders' Funds		**1,092**	**793**

The notes on pages 13 to 40 form part of the Financial Statements.

These financial statements were approved by the board of directors on 25 November 2015 and were signed on its behalf by:

Kevin Langford
Director

Consolidated Cash Flow Statement

for the year ended 31 March 2015

	Note	2015	2014
		£ 000's	**£ 000's**
Cash flow from operating activities	22	32,344	30,087
Returns on investments and servicing of finance	23	(7,152)	(4,915)
Taxation		(1,477)	(2,347)
Capital expenditure and financial investment	23	(5,590)	(4,922)
Acquisitions and disposals	23	(25,653)	-
Cash (outflow)/inflow before financing		**(7,528)**	**17,903**
Financing	23	(2,394)	(7,402)
(Decrease)/ Increase in cash in the period		**(9,922)**	**10,501**

Consolidated Reconciliation of net cash flow to movement in net debt

for the year ended 31 March 2015

		2015	2014
		£ 000's	**£ 000's**
(Decrease)/Increase in cash in the period		**(9,922)**	**10,501**
Cash inflow from increase in debt less amounts raised through equity		**2,394**	**7,402**
Change in net debt resulting from cash flows		**(7,528)**	**17,903**
Non cash movements		**(5,453)**	**(10,721)**
Movement in net debt in the period		**(12,981)**	**7,182**
Net debt at start of period	24	**(109,073)**	**(116,255)**
Net debt at the end of the period	24	**(122,054)**	**(109,073)**

The notes on pages 13 to 40 form part of the Financial Statements.

Reconciliation of Movements in Shareholders' Funds
for the year ended 31 March 2015

	Group	Group	Company	Company
	Year to 31 March 2015	Year to 31 March 2014	Year to 31 March 2015	Year to 31 March 2014
	£ 000's	£ 000's	£ 000's	£ 000's
(Loss)/ profit for the financial period	(1,722)	(3,049)	170	(115)
Retained loss	(1,722)	(3,049)	170	(115)
New share capital subscribed	-	-	-	-
Net addition to shareholders' funds	(1,722)	(3,049)	170	(115)
Opening shareholders' funds	(9,309)	(6,260)	793	908
Closing shareholders' funds	(11,031)	(9,309)	963	793

The notes on pages 13 to 40 form part of the Financial Statements.

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.

One of the Company's indirect subsidiaries holds loans that are secured by fixed and floating charges over the group's assets. The principal bank facilities expire in 2020.

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 2015, the group is in compliance with its financial covenants. The group has prepared trading forecasts for the 12 month period ending 30 September 2016. 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.

At 28 May 2014 the senior debt was refinanced and rolled over into a new facility. The total bank facility is for £124million. On 21 July 2014, £22 million of this facility was drawn down to fund the acquisition of Future Publishing's Sport and Craft titles.

On 4th September 2015 the Mezzanine debt was repaid in full. On the same date the senior debt facilities were refinanced and an amended and restated Senior Term and Multicurrency Revolving Facilities Agreement put in place. The total value of the new facilities is £135,816,759 of which £123,816,759 was drawn down at 4 September 2015.

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 2015. 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.

Notes *(continued)*

1 Accounting policies *(continued)*

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.

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.

The loan notes listed on the CISX are all held by the ultimate controlling party, the funds under the management of Exponent Private Equity LLP. The loan notes registered on the CISX are at a fixed rate of interest of 10%. The total value of listed loan notes at 31 March 2015 was £13,035,896 (2014: £28,410,818), of which there was principal outstanding of £12,002,380 (2014: £26,919,434) and interest accrued but not paid of £1,033,516 (2014: £1,491,384). 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.

Fair value of Financial Instruments

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.

Notes *(continued)*

1 Accounting policies *(continued)*

Interest bearing borrowings

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 2015 on the Group's bank loan is £67,507,000 (2014: £60,862,000) of which £9,549,000 (2014; £7,744,000) 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. At 31 March 2015 the balance outstanding on the Mezzanine Facility was £51,531,000 (2014: £38,364,096), none of which is repayable within 12 months.

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

	2015	2014
	£ 000's	£ 000's
Profit/[loss] on ordinary activities before taxation is stated after charging/(crediting)		
Amortisation	13,467	11,180
Depreciation	4,592	3,429
Foreign exchange loss/ (gain)	221	29
Research and development expenditure	446	567
Operating lease costs	1,410	1,552
Restructuring costs	3,206	1,222

Total research and development expenditure incurred in the period was £4,189,000 (2014: £4,438,000), which includes £3,743,000 (2014: £3,872,000) of capital expenditure.

Restructuring costs relate primarily to the acquisition of titles from Future publishing and of the share capital of Hitched Ltd as disclosed in note 11 to these accounts. The tax impact of the restructuring costs is £673,000.

Auditor's remuneration:

	2015	2014
	£ 000's	£ 000's
Audit of these financial statements	6	6
Amounts receivable by auditors and their associates in respect of:		
Audit of financial statements of subsidiaries pursuant to legislation	91	73
All other services	8	8
	105	**87**

Notes *(continued)*

3 Remuneration of directors

The remuneration of the Directors during the period was as follows:

	2015	2014
	£ 000's	£ 000's
Emoluments	709	919
Company contribution to defined contribution pension scheme	43	38
	752	957

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

	2015	2014
	No. of Directors	No. of Directors
Defined contribution schemes	2	2

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

	2015	2014
Emoluments	313	332
Company contribution to defined contribution pension scheme	28	23
	341	355

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 £3,367 (2014: £3,367) 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 2015	Number of employees 2014
Sales	128	144
Production	562	464
Administration	165	126
Contract publishing	132	110
	987	**844**

The aggregate payroll costs of these persons were as follows:

	2015 £ 000's	2014 £ 000's
Wages and salaries	31,870	26,477
Social security costs	3,632	3,051
Other pension costs	1,184	922
	36,686	**30,450**

5 Other interest receivable and similar income

	2015 £ 000's	2014 £ 000's
Interest receivable from Joint Ventures and Associates	3	5
Share of Joint Venture and Associate Interest	75	84
	78	**89**

Notes *(continued)*

6 Interest payable and similar charges

	2015	2014
	£ 000's	£ 000's
On bank loans and overdrafts	9,351	5,557
Interest rate swap interest	599	576
On amounts listed on the Channel Islands Stock Exchange	1,500	4,357
On amounts owed to Related Parties	103	300
Amortisation of capitalised loan arrangement fees	1,054	4,837
Share of Joint Venture and Associate Interest	39	28
	12,646	**15,655**

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

	2015	2014
	£ 000's	£ 000's
UK corporation tax	1,985	2,562
Adjustment in respect of prior year	(1,874)	(640)
Total Current Tax	111	1,923
Deferred tax:		
Origination and reversal of timing differences	1,053	355
Deferred tax assest previously recognised	-	(503)
Change in tax rates	-	92
Total deferred tax	1,053	(56)
Tax on loss on ordinary activities	**1,164**	**1,867**

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 21% (2014: 23%). The differences are explained below.

	2015	2014
	£ 000's	£ 000's
Loss on ordinary activities before tax	(558)	(1,182)
Current tax at 21% (2014:23%)	(117)	(272)
Effects of:		
Disallowed expenditure and Interest payments disallowed for tax purposes	59	247
Other timing differences	60	24
Amortisation of goodwill	2,221	2,465
Share of results of joint ventures	(15)	38
Share of tax on joint venture profit	22	8
Depreciation in excess of capital allowances	(245)	70
Other permanent differences	-	(16)
Adjustment in respect of prior year	(1,874)	(640)
Tax losses utilised	-	(1)
Current tax charge for the year	**111**	**1,923**

The prior year adjustment relates mainly to changes in the amounts of capital allowances, expenses and interest considered allowable in prior years as well as the way in which losses have been utilised in the group.

Factors that may affect future current and total tax charges

A reduction in the UK corporation tax rate from 24% to 23% (effective 1 April 2013) was substantively enacted on 3 July 2012. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. In the Budget on 8 July 2015, the Chancellor announced additional planned reductions to 18% by 2020. This will reduce the company's future current tax charge accordingly. The deferred tax liability at 31 March 2015 has been calculated based on the rate of 20% substantively enacted at the balance sheet date.

8 Dividends

No dividends were paid or declared during the period (2014: £nil).

Notes *(continued)*

9 Intangible fixed assets

Group	Goodwill	Other intangibles	Total
	£ 000's	£ 000's	£ 000's
Cost			
At 31 March 2014	128,413	3,351	131,764
Additions	31,017	-	31,017
Disposals	(258)	-	(258)
At 31 March 2015	159,172	3,351	162,523
Amortisation			
At 31 March 2014	(26,212)	(740)	(26,952)
Charged in period	(13,058)	(329)	(13,387)
Impairments	(80)	-	(80)
At 31 March 2015	(39,350)	(1,069)	(40,419)
Net book value			
At 31 March 2015	**119,822**	**2,282**	**122,104**
At 31 March 2014	102,201	2,611	104,812

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

Notes *(continued)*

10 Tangible fixed assets

	Plant and Machinery	Fixture & Fittings	Leasehold improvements	Total
	£ 000's	**£ 000's**	**£ 000's**	**£ 000's**
Group				
Cost				
At 1 April 2014	11,363	1,472	3,006	15,841
Additions	4,880	568	142	5,590
Acquired with subsidiary undertaking	31	38	-	69
Disposal	(1,378)	(12)	-	(1,390)
At 31 March 2015	**14,896**	**2,066**	**3,148**	**20,110**
Depreciation				
At 1 April 2014	5,131	972	330	6,433
Acquired with subsidiary undertaking	29	27	-	56
Charge for the year	3,731	647	214	4,592
Disposal	(1,378)	(12)	-	(1,390)
At 31 March 2015	**7,513**	**1,634**	**544**	**9,691**
Net book value				
At 31 March 2015	**7,383**	**432**	**2,604**	**10,419**
At 1 April 2014	6,232	500	2,676	9,408

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 2014	753
Additions	-
At 31 March 2015	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 Group	Percentage of Ordinary Shares 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	Cross media publishing	100%	
Immediate Media Company Bristol Limited	England and Wales	Cross media publishing	100%	
Immediate Media Company Services Limited	England and Wales	Dormant	100%	
Immediate Media Company Origin Limited	England and Wales	Dormant	100%	
Immediate Media Company Origin Holdings Limited	England and Wales	Dormant	100%	
Genealogy Events Limited	England and Wales	Live events	77.5%	
Immediate Media Company Magicalia Limited	England and Wales	Dormant	100%	
Immediate Media Company Magicalia Holdings Ltd	England and Wales	Dormant	100%	
Visordown Limited	England and Wales	Dormant	100%	
Immediate Media Company North America Inc	United States of America	Management services	100%	
Hitched Ltd	England and Wales	Digital media	100%	
Mumdrum Ltd	England and Wales	Dormant	100%	
Nuptales PTY Ltd	Australia	Digital media	100%	
Hitched PTY Limited	South Africa	Dormant	100%	
Immediate Media Company Australia Pty Limited	Australia	Management services	100%	
Immediate Media Company Pte Singapore Limited	Singapore	Management services	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)*

Acquisition of titles from Future Publishing

On 21 July 2014 the Company acquired the trade and assets of certain magazine titles and websites from Future Publishing. The resulting goodwill of £21,688,000 was capitalised and will be written off over 6 years. This amortisation period has been selected because it is management's view that this represents the best estimate of the useful economic life of the titles acquired.

A deferred income liability of £1,643,000 was taken on at the time of the acquisition. The book value of the liability taken on was the same as its fair value, therefore no fair value adjustments were required.

	Book and Fair Value £000's
Liabilities	(1,643)
Net assets	(1,643)
Goodwill	21,688
Purchase consideration	19,760
Costs of Acquisition	285
	20,045

The net assets and purchase consideration are not determined on a provisional basis.

Under UK GAAP, the company is required to disclose the pre-acquisition profits of any acquired entities. This disclosure has been omitted from the accounts on the basis that the information is not readily available. The net assets and purchase consideration are not determined on a provisional basis.

The above figures are shown net of the impact on the group's financial position of three titles which were acquired and disposed during the year at no profit or loss to the group. The titles were acquired on 21 July 2014 from Future publishing with the consideration payable for these titles contingent on the outcome of a review by the Competition and Markets Authority. A deferred income liability of £258,046 in relation to the three titles was also acquired on this date. The titles and associated deferred income liability were disposed on 13 January 2015 following a decision by the Competition and Markets Authority.

Notes *(continued)*

11 Fixed asset investments *(continued)*

Acquisition of Hitched Ltd

On 31 January 2015 the Company acquired all of the shares of Hitched Ltd. The resulting goodwill of £9,005,000 was capitalised and will be written off over 6 years. This amortisation period has been selected because it is management's view that this represents the best estimate of the useful economic life of the business acquired.

	Book and Fair Value £000's
Fixed assets	
Tangible	13
	13
Current assets	
Debtors	546
Cash	528
	1,074
Total assets	1,087
Liabilities	
Creditors	(954)
Total liabilities	(954)
Net assets	133
Goodwill	9,005
Purchase consideration	9,000
Costs of acquisition	138
	9,138

Of the £9m of purchase consideration payable, £6m was paid in cash on completion. Of the remaining £3m, £2m was deferred and £1m was contingent on certain criteria being met. These criteria were met by the balance sheet date therefore the entire £3m is accrued in these financial statements.

The acquired undertaking made a pre-tax profit of £525,831 from the beginning of its financial year to the date of acquisition. In its previous financial year commencing on 1st April 2013 the pre-tax profit was £68,639.

Included within creditors above is a deferred income liability of £751,000. This was brought onto the acquired balance sheet to align the accounting policies of the acquired entity with that of the group. The net assets and purchase consideration are not determined on a provisional basis.

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 £69,000 (2014: loss of £164,000).

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

	Joint Venture (Dovetail)	Associate (Frontline)	Total Joint Venture and Associate
	£ 000's	£ 000's	£ 000's
Goodwill			
At 1 April 2014	74	-	74
Acquisition	-	-	-
At 31 March 2015	**74**	**0**	**74**
Net Assets			
At 1 April 2014	(115)	207	92
Net Assets Acquired	-	-	-
Share of profit after tax	(48)	96	48
At 31 March 2015	**(163)**	**303**	**140**
Net book value at 31 March 2015	**(89)**	**303**	**214**
Net book value at 1 April 2014	(41)	207	166

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 2015 £ 000's	Group 2014 £ 000's
Raw materials and consumables	1,227	1,114
Work in progress	1,251	1,751
	2,478	**2,865**

13 Debtors

	Group 2015 £ 000's	Group 2014 £ 000's	Company 2015 £ 000's	Company 2014 £ 000's
Debtors due in less than one year				
Trade debtors	17,979	14,841	-	-
Amounts owed by Joint Ventures	650	650	-	-
Corporation tax debtor	540	-	-	-
Deferred tax assets	-	612	-	-
Other debtors	3,702	2,880	-	-
Prepayments and accrued income	1,866	1,582	-	-
	24,737	**20,565**	**-**	**-**
Debtors due in more than one year				
Amounts owed by Related Parties	34	34	-	-
Other debtors due in more than one year	80	80	-	-
Amounts owed by subsidiary undertaking	-	-	1,275	1,996
	114	**114**	**1,275**	**1,996**
	24,851	**20,679**	**1,275**	**1,996**

Amounts owed by subsidiary undertaking include an amount of £1,185,000 which accrues interest at 13% 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.

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. This balance arose when 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 by 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 2015	**Deferred taxation £ 000's 2014**
Group		
At 1 April 2015	612	556
(Charge)/credit to the profit and loss for the period	(1,053)	56
At 31 March 2015	**(441)**	**612**

Notes *(continued)*

14 Deferred Taxation *(continued)*

The elements of deferred taxation are as follows:

	2015	2014
	£ 000's	**£ 000's**
Net Assets at start of year	612	556
DTA previously unrecognised	-	503
Difference between accumulated depreciation and amortisation and capital allowances	(445)	-
Other timing differences	(608)	(355)
Change in tax rate	-	(92)
Provision	**(441)**	612
Deferred tax (liability)/asset	(441)	612
	(441)	612

The group has no deferred tax assets that are not fully recognised (2014: £502,399). In the prior year, the deferred tax asset that had not been fully recognised related to losses carried forward in a group company and the directors did not feel that the use of these losses could be estimated with certainty. However, these losses have now been fully utilised.

The group has no unprovided deferred tax liabilities.

Notes *(continued)*

15 Creditors: amounts falling due in less than one year

	Group 2015 £ 000's	Group 2014 £ 000's	Company 2015 £ 000's	Company 2014 £ 000's
Bank loans and overdrafts	9,549	7,744	-	-
Capitalised loan arrangement fees	(895)	-	-	-
Trade creditors	14,041	12,681	-	-
Deferred consideration payable	3,000	-	-	-
Corporation tax creditor	-	819	-	-
Deferred tax liability	441	-	-	-
Other creditors including other taxes and social security	3,432	1,597	156	-
Accruals and deferred income	28,129	23,068	-	-
	57,697	45,909	156	-

16 Creditors: amounts falling due after more than one year

	Group 2015 £ 000's	Group 2014 £ 000's	Company 2015 £ 000's	Company 2014 £ 000's
Bank loans	109,488	91,482	-	-
Capitalised loan arrangement fees	(2,648)	(3,237)	-	-
Amounts listed on the Channel Islands Stock Exchange	13,024	28,411	-	-
Amounts owed to Related Parties	897	1,956	897	1,956
	120,761	**118,612**	**897**	**1,956**

Notes *(continued)*

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

Fair Value of Financial Instruments

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

	2015 carrying amount	2015 fair value	2014 carrying amount	2014 fair value
	£000's	£000's	£000's	£000's
Short Term Instruments				
Cash	7,361	7,361	17,283	17,283
Short term bank debt	(9,549)	(9,549)	(7,744)	(7,744)
Long Term Instruments				
Long term bank debt	(109,488)	(109,488)	(91,482)	(91,482)
Listed loan notes	(13,024)	(13,024)	(28,411)	(28,411)
Subordinated loan notes	(897)	(897)	(1,956)	(1,956)

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.

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

	2015	2014
	£ 000's	£ 000's
Within one year	9,549	7,744
In the second to fifth years inclusive	57,958	19,366
Over five years	51,531	72,116
	119,038	**99,226**

Interest is charged on the bank loans at LIBOR plus a margin. The company has an interest rate swap on 70% of its debt which caps interest at current levels. At the balance sheet dates these swaps have been valued as a liability of £641,000.

Notes *(continued)*

17 Called up share capital

	2014	2013
	£ 000's	£ 000's
Allotted, called up and fully paid		
80,358,270 (2014: 80,358,270) A ordinary shares of £0.0001 each	8	8
9,843,888 (2014: 9,843,888) B ordinary shares of £0.01 each	98	98
8,445,677 (2014: 8,445,677) C ordinary shares of £0.0001 each	1	1
100,000 (2014: 100,000) D ordinary shares of £0.0001	-	-
	107	**107**

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 February 2013 a further 1,080,026 C shares were issued. On 18 February 2014 a further 125,560 C shares were issued.

18 Share premium and reserves

Company	**Share Premium**	**Profit and loss account**
	£000 's	**£000 's**
At 1 April 2014	(880)	(194)
Loss for the period	-	299
At 31 March 2015	**(880)**	**105**

Group	**Share Premium**	**Profit and loss account**
	£ 000's	**£ 000's**
At 1 April 2014	(880)	(10,296)
Profit for the year	-	(1,713)
At 31 March 2015	**(880)**	**(12,009)**

Notes *(continued)*

19 Minority interests

	2015 Group £ 000's	2014 Group £ 000's
Opening	-	(1)
Share of profit for year outside group	(9)	1
At end of year	**(9)**	**-**

20 Commitments

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

	Group 2015 £ 000's	Company 2015 £ 000's	Group 2014 £ 000's	Company 2014 £ 000's
Contracted	-	-	-	-
	-	-	-	-

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

Group	2015 Land and buildings £ 000's	2015 Other £ 000's	2014 Land and buildings £ 000's	2014 Other £ 000's
Operating leases which expire:				
Within one year	-	76	-	-
In the second to fifth years inclusive	1,718	-	-	49
Over five years	-	-	1,670	-
	1,718	76	1,670	49

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 £1,184,000 (2014: £922,000).

Contributions amounting to £0.24m (2014: £0.2m) were payable by the group to the scheme at 31 March 2015.

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

22 Reconciliation of operating profit to operating cash flows

	2015	2014
	£ 000's	£ 000's
Operating profit	11,977	14,604
Depreciation, amortisation and impairment charges	18,059	14,609
(Increase)/decrease in stocks	387	(74)
(Increase)/decrease in debtors	(3,675)	4,307
Increase/(decrease) in creditors	5,596	(3,359)
Net cash flow from operating activities	**32,344**	**30,087**

Notes *(continued)*

23 Analysis of cash flows

	Notes	2015	2014
		£ 000's	**£ 000's**
Returns on investment and servicing of finance			
Interest received		3	5
Interest paid		(7,155)	(4,920)
		(7,152)	**(4,915)**
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(5,590)	(4,922)
		(5,590)	**(4,922)**
Acquisitions and disposals			
Purchase of subsidiary undertakings		(6,138)	-
Cash acquired within subsidiary undertaking		529	-
Purchase of trade and assets		(20,044)	-
		(25,653)	**-**
Issue of ordinary share capital			
Debt due within one year:			
Repayment of shareholder loan		(18,050)	(40,855)
Repayment of secured loan		(7,984)	-
Debt due after more than one year:			
New secured loan		25,000	37,138
Refinancing fees		(1,360)	(3,685)
		(2,394)	**(7,402)**

Notes *(continued)*

24 Analysis of net debt

	At beginning of period £ 000's	Cash flow £ 000's	Non-cash movements £ 000's	At end of period £ 000's
Cash in hand, at bank	17,283	(9,922)	-	7,361
	17,283	**(9,922)**	**-**	**7,361**
Debt due after one year	(118,612)	3,304	(5,453)	(120,761)
Debt due within one year	(7,744)	(910)	-	(8,654)
	(126,356)	**2,394**	**(5,453)**	**(129,415)**
Total	**(109,073)**	**(7,528)**	**(5,453)**	**(122,054)**

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:

2015 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	3	(900)	645
Frontline Ltd	Associate	-	(539)	4,108
Exponent PE Partner GP I	Significant shareholder	-	(15)	(1,536)
Exponent PE Partner GP II	Significant shareholder	-	(110)	(11,449)

Notes *(continued)*

2014 **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	4	(3,088)	735
Frontline Ltd	Associate	-	(2,464)	2,389
Exponent PE Partner GP I	Significant shareholder	-	(6)	(3,308)
Exponent PE Partner GP II	Significant shareholder	-	(44)	(24,885)

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.

At the balance sheet date subordinated loan notes of £316,900 (2014:£ 690,952) 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 £108,786 (2014: £237,191) 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 2015 a balance of £24,586 (2014: £24,586) is outstanding with T Bureau and £9,085 (2014: £9,085) with K Langford. 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 3 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 Post Balance Sheet event

On 4th September 2015 the Mezzanine debt was repaid in full. On the same date the senior debt facilities were refinanced and an amended and restated Senior Term and Multicurrency Revolving Facilities Agreement put in place. The total value of the new facilities is £135,816,759 of which £123,816,759 was drawn down at 4 September 2015.

27 Ultimate parent company

At 31 March 2015, 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.